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Individual Income Tax Returns 1987

Returns Filed,
Sources of Income, Exemptions,
Itemized Deductions, and
Tax Computations



Statistics of Income Division
Internal Revenue Service
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Individual Income Tax Returns

Publication 1304 (Rev. 8-90)

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

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Section 1

Introduction and Changes in Law*

The statistics in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of approximately 107 million Forms 1040, 1040A and 1040EZ filed by taxpayers for Tax Year 1987.

Table A shows selected tax items for Tax Years 1975, 1980, 1985, 1986 and 1987. In addition, percentage changes between Tax Years 1986 and 1987 are shown. Between 1986 and 1987, the number of returns filed increased by almost 4 million, or 3.8 percent, and adjusted gross income (AGI) increased by more than 292 billion, or 11.8 percent. The income increase, however, was due primarily to the changes in the composition of AGI mandated by the Tax Reform Act of 1986, such as the inclusion of all capital gains and dividends in AGI beginning in 1987. New rules for passive losses, employee business expenses, individual retirement arrangement (IRA) contributions, and moving expenses also affected the calculation of AGI. In order to compare 1986 and 1987 income data meaningfully, total income was computed for both years in the same way by using the 1979 Income Concept (this income measure is explained later in this Section). When this recomputed total income using the 1979 Income Concept is compared for 1986 and 1987, the increase is only 2 percent. Total income tax (the sum of income tax after credits and the alternative minimum tax) rose by 0.5 percent for 1987 under the new, lower tax rates.

This report contains complete individual income tax data for Tax Year 1987, the first full year of transition under the Tax Reform Act of 1986. These data, as well as preliminary income tax data for Tax Year 1988, are also featured in the Spring 1990, Statistics of Income Bulletin [1].

REQUIREMENTS FOR FILING

The Internal Revenue Code of 1986, as amended, provided the legal basis for tax activity

detailed in this volume. For Tax Year 1987 the principal criteria that determined the general filing requirements were gross income, filing status, marital status, age, and blindness. Gross income included all income received in the form of money, property, and services that was not expressly exempt from tax. Income thresholds for filing a return were increased for most taxpayers for 1987. In contrast, income thresholds were lowered for dependents, requiring many more of them to file returns. Generally, a U.S. citizen or resident had to file a tax return if gross income for the year was at least as much as the amount shown for the appropriate filing status in the table below:

General Filing Requirements

<u>Filing Status</u>	<u>1987 Gross Income</u>
<u>Single</u>	
Under 65	\$4,440
Under 65 and blind	4,900
65 or older	5,650
<u>Married Filing Joint Return</u>	
Both spouses under 65	7,560
Both spouses under 65 and one or both spouses blind	8,800
One spouse 65 or older	9,400
Both spouses 65 or older	10,000
Not living with spouse at end of year(or on date spouse died)	1,900
<u>Married Filing Separate Return</u>	
ATL--whether 65 or older or blind	1,900
<u>Head of Household</u>	
Under 65	4,440
Under 65 and blind	6,300
65 or older	7,050
<u>Qualifying Widow(er)</u>	
Under 65	5,660
Under 65 and blind	6,900
65 or older	7,500

*This report was prepared under the direction of Jeffrey Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch. Contributions to the text were made by Louella Ballenger and Mike Strudler. June Walters was responsible for overall production.

Table A.—Selected Income and Tax Items for Selected Years, 1975–1987

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1975	1980	1985	1986	1987	Percent change, 1986 to 1987
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	82,229,332	93,902,469	101,660,287	103,045,170	106,996,270	3.8%
Form 1040 returns	54,527,726	57,122,592	67,006,425	68,909,828	71,032,103	3.1
Form 1040A returns	27,701,606	36,779,877	18,124,702	17,584,689	17,446,685	-0.8
Form 1040EZ returns	N/A	N/A	16,529,160	16,550,653	18,517,482	11.9
Total income, amount	962,886,872	1,642,345,558	2,401,033,782	2,580,689,275	2,803,940,526	8.7
Adjusted gross income less deficit	947,784,873	1,613,731,497	2,305,951,483	2,481,681,046	2,773,824,198	11.8
Salaries and wages						
Number of returns	73,520,046	83,802,109	87,198,001	88,217,638	90,984,304	3.1
Amount	795,399,462	1,349,842,802	1,928,200,978	2,031,025,984	2,163,905,509	6.5
Taxable interest received						
Number of returns	40,378,240	49,019,575	64,526,434	65,236,518	67,933,810	4.1
Amount	43,433,554	102,009,444	182,109,194	167,640,438	168,966,067	0.8
Dividends in adjusted gross income						
Number of returns	8,853,491	10,738,982	15,527,579	16,753,537	22,324,321	33.3
Amount	21,892,126	38,761,253	55,046,351	61,623,348	66,791,158 ¹	8.4
Business or profession net income less loss						
Number of returns	7,242,542	8,881,119	11,900,341	12,360,345	13,002,055	5.2
Amount	39,421,478	55,129,154	78,772,577	90,423,763	105,460,627	16.6
Net Capital gain less loss						
Number of returns	7,574,823	9,970,921	12,579,494	15,560,453	15,450,141	-0.7
Amount	14,071,893	30,029,074	68,277,779	132,841,678	137,398,726 ²	3.4
Pensions and annuities in adjusted gross income						
Number of returns	5,088,937	7,373,704	13,133,295	14,771,235	16,497,586	11.7
Amount	20,886,871	43,339,736	95,096,003	107,696,794	124,754,833	15.8
Rents and royalties net income less loss						
Number of returns	7,143,812	8,208,132	9,544,495	9,394,506	9,492,112	1.0
Amount	5,202,078	4,105,381	-12,963,726	-15,292,084	-9,254,758	39.5
Partnership and S Corporations net income less loss						
Number of returns	n a	n a	5,487,671	5,817,455	5,574,532	-4.2
Amount	12,811,091	10,099,346	-2,526,591	-5,859,500	24,314,070	N/A
Farm net income less loss						
Number of returns	2,755,041	2,608,430	2,620,861	2,524,331	2,420,186	-4.1
Amount	3,563,325	-1,792,466	-12,005,483	-7,284,231	-1,323,464	81.8
Total statutory adjustments						
Number of returns	9,024,255	13,148,919	37,763,418	38,034,061	11,620,127	-69.4
Amount	15,101,999	28,614,061	95,082,299	99,008,229	30,116,329	-69.6
Individual Retirement Arrangement						
Number of returns	1,211,794	2,564,421	16,205,846	15,535,531	7,318,727	-52.9
Amount	1,436,443	3,430,894	38,211,574	37,758,393	14,065,722	-62.7
Self-employed (Keogh) retirement plan						
Number of returns	595,892	568,936	675,822	773,296	759,083	-1.8
Amount	1,603,788	2,007,666	5,181,993	6,194,617	6,183,441	-0.2
Number of exemptions	212,202,596	227,925,098	244,180,202	245,752,978	217,495,163	-11.5
Total deductions						
Number of returns	81,585,541	88,491,251	96,848,626	98,180,981	106,005,861	8.0
Amount	233,181,778	346,000,155	554,733,523 ³	611,293,162 ³	607,223,513 ⁴	-0.7
Total itemized deductions						
Number of returns	26,074,061	28,950,282	39,848,184	40,667,008	35,627,790	-12.4
Amount	122,260,601	218,028,139	405,023,525	447,057,972	392,020,128	-12.3
Medical and dental expense	11,422,312	14,972,082	22,926,214	25,112,007	17,151,819	-31.7
Taxes paid	44,141,289	69,404,275	128,084,618	143,446,005	119,388,068	-16.8
Interest paid	38,885,282	91,187,006	180,094,578	196,566,331	179,942,422	-8.5
Contributions	15,393,331	25,809,608	47,962,848	53,815,979	49,623,907	-7.8
Taxable income						
Number of returns	65,852,602	88,104,696	96,124,046	97,358,296	90,079,102	-7.5
Amount	595,492,866	1,279,985,360	1,820,740,833	1,947,024,584	1,850,597,119	-5.0
Income tax before credits						
Number of returns	65,854,734	76,135,819	85,994,216	86,600,724	89,717,924	3.6
Amount	132,452,044	256,294,315	332,165,333	367,591,995	373,857,125	1.7
Total tax credits	8,069,846	7,215,839	10,248,044	7,020,731	6,329,438	-9.8
Child care credit	N/A	956,439	3,127,702	3,397,090	3,438,314	1.2
Credit for the elderly and disabled	128,968	134,993	108,642	85,763	66,633	-22.3
Foreign tax credit	381,985	1,341,675	782,561	773,939	1,099,484	42.1
Income tax after credits	124,382,197	249,078,475	321,917,289	360,571,264	367,527,687	1.9
Total income tax						
Number of returns	61,490,737	73,906,244	82,846,420	83,967,413	86,723,796	3.3
Amount	124,526,297	250,341,440	325,710,254	367,287,213	369,202,757	0.5

n a Not available

N/A Not applicable

¹ Represents total dividends² Represents total capital gains³ Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amount on nonitemized deductions⁴ Includes total itemized deductions, and basic and additional standard deductions (zero bracket amount in lieu of standard deduction for prior year returns)

NOTE: Detail may not add to total because of rounding

Dependents Filing Requirements

Dependents who could be claimed by another taxpayer (such as a parent) were required to file a return if they had:

- (1) Earned income only and gross income was more than the amount listed in the following table:

<u>Filing Status</u>	<u>Amount</u>
<u>Single</u>	
Under 65	\$2,540
Either 65 or older or blind	3,750
65 or older and blind	4,500

Married Filing Separate Return*

Under 65	1,880
Either 65 or older or blind	3,100
65 or older and blind	3,700

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file if he or she had at least \$5 of gross income (earned or unearned).

- (2) Unearned (investment-type) income only and gross income is more than the amount shown in the following table:

<u>Filing Status</u>	<u>Amount</u>
<u>Single</u>	
Under 65	\$ 500
Either 65 or older or blind	1,250
65 or older and blind	2,000

Married Filing Separate Return*

Under 65	500
Either 65 or older or blind	1,100
65 or older and blind	1,700

*If a dependent's spouse itemizes deductions on a separate return, the dependent must file if he or she had at least \$5 of gross income (earned or unearned).

- (3) Both earned income and any unearned (investment-type) income and gross income is more than the amount shown in the following table:

<u>Filing Status</u>	<u>Amount</u>
<u>Single</u>	
Under 65	\$ 500
Either 65 or older or blind,	
the total of:	
a) earned income (up to \$3,000) or \$500, whichever is greater, <u>plus</u>	
b) \$750 (\$1,500 if 65 or older and blind)	

Married Filing Separate Return

Under 65 \$ 500

Either 65 or older or blind,
the total of:

- a) earned income (up to \$2,500) or \$500, whichever is greater, plus
- b) \$600 (\$1,200 if 65 or older and blind)

In addition to these filing requirements, there were five others. An individual also had to file a return for Tax Year 1987 if that individual:

- (1) was liable for any of the following taxes:

- social security tax on unreported tip income (tips not reported to his or her employer);
- uncollected social security tax or Railroad Retirement Tax Act (RRTA) tax on reported tip income;
- alternative minimum tax;
- tax on an Individual Retirement Arrangement (IRA); or
- tax from recapture of investment credit;

- (2) received advanced earned income payments;

- (3) had net earnings of at least \$400 from self-employment income;

- (4) had wages of \$100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes; or

- (5) had gross income of at least \$1,900 and excluded income from sources within American Samoa.

These filing requirements applied to all U.S. citizens, residents of Puerto Rico, resident aliens for the entire tax year, certain dual-status taxpayers, and certain nonresident aliens married to U.S. citizens or residents at the end of 1987.

Data shown in these tables cover individuals who were not required to file tax returns but did so for any reason, such as to obtain refunds (generally of tax withheld) or to take advantage of the earned income credit.

Most taxpayers were required to file tax returns within 3-1/2 months after the close of their accounting periods. Since most individuals use a calendar year period, nearly all returns were due by April 15, 1988. However, each taxpayer could be granted, upon request, one automatic 4-month extension of time to file. U.S. citizens residing or traveling outside the United States and Puerto Rico on the due date were automatically granted (without requesting) a 2-month

extension. In addition, a taxpayer could petition the IRS for an additional extension beyond the automatic ones cited above. However, this extension had to be approved by the Internal Revenue Service (IRS).

CHANGES IN LAW

The Tax Reform Act of 1986 amended, added to, or repealed provisions of the tax code, including those of the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the 1983 Social Security Amendments Act and Railroad Retirement Solvency Act, and the Tax Reform Act of 1984. The tax code is now called the Internal Revenue Code of 1986 because of the sweeping changes of the new Act. For 1987, the new law not only made major changes in tax rates and filing requirements, but also in the definitions of income, adjustments to income, deductions, and personal exemptions. Most of these tax law changes pertaining to 1987 individual returns are reflected in this report.

All major changes in effect for Tax Year 1987 that are included in Statistics of Income data are listed below in alphabetical order. Section 5 contains more detailed explanations and definitions of terms used in this report.

Alimony

For 1987, large payments made to a spouse or former spouse in the first 3 years (6 years in 1986) under a divorce or separation instrument were not fully deductible as alimony if the payments exceeded certain amounts.

Alternative Minimum Tax

For 1987, the starting point in calculating alternative minimum taxable income was taxable income, whereas for 1986 it was AGI. Taxpayers had to increase their regular taxable income for 1987 by the amount of their tax preferences and adjustments (including an adjustment to the net operating loss deduction) to arrive at "alternative minimum taxable income." There were also changes to the list of adjustments and tax preference items, since some exclusions, such as the 60-percent capital gains exclusion, were eliminated.

In addition, the alternative minimum tax rate was increased for 1987 from 20 to 21 percent of the alternative minimum taxable income in excess of an exemption amount that was unchanged from 1986. The exemption amount was phased out if the taxpayer's alternative minimum taxable income exceeded \$150,000 (married filing jointly), \$112,500 (single), or \$75,000 (married filing separately).

Capital Gains and Losses

Long-term (assets held over 6 months): For 1987, the 60-percent exclusion of long-term capital gains was repealed so that the full amount of capital gains was included in AGI. However, for 1987 only, the maximum tax rate on long-term capital gains was limited to 28 percent (up from 20 percent in 1986), compared to the top rate of 38.5 percent on ordinary income for 1987.

Long-term capital losses for 1987 were no longer reduced by 50 percent, but could be applied in full against ordinary income (subject to an annual limit of \$3,000).

Charitable Contributions

For 1986, individuals who did not itemize their deductions could deduct 100 percent of their charitable contributions from their AGI. However, this provision expired and, beginning in 1987, individuals could claim charitable contributions only as an itemized deduction on Schedule A (Form 1040).

Dependents

For 1987, filing thresholds for dependents were reduced, especially for those with earned income. Children and others eligible to be claimed as dependents were required to file a return if all their income was "earned" (such as salaries and wages), and it exceeded \$2,540, or if their gross income was more than \$500 and any of it was "unearned" income (such as interest or dividends). Regardless of income level, dependents could not claim an exemption for themselves on their return if they could be claimed as a dependent on their parents' return. Previously, dependents who filed returns could be claimed as a dependent and still claim an exemption for themselves. Also, if gross income was \$1,900 or more, children over 19 (unless the child qualified as a student) could not be claimed as dependents.

In addition, beginning in 1987, children under the age of 14 with investment income exceeding \$1,000 generally had that income taxed as if that income had been included on the parents' return.

Dividends

All dividends were taxable in 1987. Previously, an exclusion of up to \$100 (\$200 on joint returns) was allowed.

Earned Income Credit

Both the rate and base for the earned income credit was increased. For 1987, the credit was 14 percent of the first \$6,075 of

an eligible individual's "earned income." If earnings or AGI exceeded \$6,924, the credit was reduced by 10 percent of this excess. As a result, if AGI or earned income exceeded \$15,432 the credit was completely eliminated. For 1987, the maximum credit was \$851 compared to \$550 for 1986. Under prior law, the earned income credit generally equaled 11 percent of the first \$5,000 of earned income, and it was completely phased out at \$11,000.

Employee Business Expenses

For 1987, only reimbursed business expenses could be claimed as an adjustment to AGI. Unreimbursed employee business expenses had to be deducted as a "miscellaneous" itemized deduction on Schedule A. The total of all miscellaneous deductions was further limited to the amount exceeding 2 percent of AGI.

Additional restrictions beginning with 1987 were placed on employee business expense claims for meals, entertainment, and travel.

- Meals and Entertainment: Only 80 percent of the cost of qualified meals or entertainment was deductible, whereas the full cost was deductible under prior law. To qualify as a deduction, the meal had to be directly related to the active conduct of the taxpayer's business.

- Travel: For 1987 investment seminar expenses and expenses for travel used as a form of education were no longer deductible, and the deduction for travel by cruise ship was limited. Previously, these expenses had been fully deductible.

Exemptions

The amount of each individual personal exemption increased from \$1,080 for 1986 to \$1,900 for 1987, but the extra taxpayer exemptions for age and blindness were eliminated and replaced by larger standard deductions amounts.

Rules for claiming exemptions for dependents were changed for 1987. If children or other dependents could be claimed as exemptions by other taxpayers, they could not claim an exemption for themselves if they filed their own return. Taxpayers could not claim an exemption for a dependent who had gross income of \$1,900 or more unless the dependent was the taxpayer's child who was either under age 19 or a student. If the child qualified as a student, the gross income or age test did not apply.

Foreign Earned Income

The annual limit on the foreign earned income exclusion from AGI was decreased to \$70,000 for 1987 from \$80,000 for 1986.

General Business Credit

Two credits were added by the Tax Reform Act of 1986 -- the low-income housing credit and the research credit. The 10-percent investment credit was repealed for property placed in service after 1985 except for several limited exceptions. Taxpayers were allowed to claim unused credits carried over from 1985 on their 1987 tax returns. The amount of unused credits that could be claimed for 1987 was reduced by about 17.5 percent.

Income Averaging

Income averaging was repealed for 1987.

Individual Retirement Arrangements (IRAs)

The IRA contribution adjustment was limited or disallowed for middle- and upper-income taxpayers who were covered by employer-provided pension plans, although the tax-deferral feature was still allowed for income earned on nondeductible contributions which continued to be permitted. For 1986, IRA contributions were deductible regardless of income level or pension coverage. The amount of the allowable deduction for 1987 IRA contributions depended on the following criteria:

- Full Deduction: IRA contributions up to \$2,000 a year (\$2,250 for a spousal IRA) were fully deductible if the taxpayer (and spouse, if filing jointly) did not belong to a company-funded retirement plan or, if the taxpayer (or spouse) did belong to a company retirement plan and his or her AGI (excluding any adjustments for IRAs) was less than \$25,000 (less than \$40,000 if taxpayer and spouse filed jointly).

- Partial Deduction: The maximum amount of the allowable deduction for the IRA contribution was phased out (in some cases permitting a partial deduction) for taxpayers with AGI from \$25,000 to \$35,000 (\$40,000 to \$50,000, if taxpayer and spouse filed jointly) when a taxpayer (or spouse) belonged to a company retirement plan.

- No Deduction: IRA contributions were not deductible if the taxpayer (or spouse, if filing jointly) belonged to a company retirement plan and AGI was greater than \$35,000 (\$50,000 for joint returns).

Interest Paid Deduction

Only 65 percent of "personal" interest (e.g., credit card interest, revolving charge account interest, and interest on bank loans) was deductible for 1987, whereas for 1986 all of it was deductible.

The mortgage interest deduction was limited for 1987 to the amounts paid on a "qualified" principal and second residence, and to the interest associated with debt no greater than the cost of the residence plus improvements and mortgage loans taken to pay for qualified medical and educational expenses. These limits applied to debt that was assumed after August 16, 1986.

Married Two-Earner Couple Deduction

This deduction was repealed for 1987.

Medical and Dental Expenses

The deduction for medical and dental expenses was limited to expenses in excess of 7.5 percent of AGI for 1987 compared to 5 percent for 1986.

Miscellaneous Itemized Deductions

For 1987 there were two tiers of "miscellaneous" itemized deductions. The first tier applied to those expense items that were fully deductible, such as gambling losses (limited to gains) and amortizable bond premiums. The second tier was for expenses, such as unreimbursed employee travel and entertainment expenses, that were subject to a new 2 percent of AGI floor. In addition, new restrictions were placed on claims for meals, entertainment, and travel. The full amount had been deductible as an adjustment to AGI for 1986.

Moving Expenses

Moving expenses became an itemized deduction for 1987. These were taken as an adjustment to income in 1986.

Passive Losses

Beginning with 1987, losses generated by any trade, business, or rental activity in which the taxpayer did not "materially participate" were considered "passive" losses and could be used to offset income from other passive activities only. Under the previous law, any business losses could be used to offset income from any other activity.

An exception to this limitation was made for taxpayers with passive losses from rental real estate activities in which they were actively involved. Net losses up to \$25,000 could be deducted from nonpassive income, such as wages or dividends. For taxpayers whose AGI exceeded \$100,000, the \$25,000 exception was reduced by 50 percent of the amount of AGI

that exceeded \$100,000. This effectively eliminated the \$25,000 exception for taxpayers with an AGI of \$150,000 or more.

Taxpayers who entered into passive activities before October 23, 1986 were allowed a 5-year phase in of the limitations on losses. This phase provided a diminishing percentage of passive losses to offset nonpassive income and taxes. Sixty-five percent of passive activity losses from such interests were allowed to offset nonpassive income for 1987. Passive activity losses disallowed for 1987 by the limitation could be carried forward to offset passive income in future years. Upon disposition of the taxpayer's entire interest in the activity, remaining passive losses can offset nonpassive income.

Most of the nondeductible passive losses were concentrated in partnerships, S corporations, and rental activities.

Pensions and Annuities

After July 1, 1986, a retiree could not use the "Three-Year Rule" which had allowed the total qualified pension or annuity payments (received in the first 3 years) to be excluded from income until the retiree's contributions were recovered, provided that all of the retiree's contributions were actually recovered in those 3 years. Under the 1986 Act, a retiree was required to report payments under the "General Rule" which provided that the nontaxable portion be recovered over the expected lifetime of the taxpayer.

Also, if an individual withdrew taxable amounts from a qualified retirement plan (including IRAs) before reaching age 59-1/2, these amounts were generally subject to an additional 10 percent tax. This 10 percent tax was in addition to any income tax due on the withdrawals. Before 1987, the 10 percent additional tax applied only to premature withdrawals from IRAs.

Beginning in 1987, a "simplified employee pension" (SEP) could include a salary reduction arrangement under which an employer could make contributions to the SEP out of the employee's salary. Also, employer SEP contributions no longer had to be included in the employee's gross income. For 1986 these contributions were included in income, but then could be subtracted as part of the IRA adjustment.

Political Contributions Credit

This credit was repealed for 1987.

Sales Taxes

The deduction for State and local sales taxes was repealed for 1987.

Self-Employed Health Insurance

For 1987, self-employed taxpayers could deduct as an adjustment to income up to 25 percent of the amount they paid for medical insurance for themselves and their families. They were not allowed this deduction if they or their spouses were eligible to participate in an employer-subsidized health plan. The balance of the cost could be included with other medical care expenses and deducted as an itemized deduction subject to the 7.5 percent limitation.

Standard Deduction

For 1987, the "zero bracket amount" (ZBA), i.e., income "taxed" at a rate of zero percent, was replaced by a standard deduction. Unlike the ZBA, the standard deduction was not incorporated into the tax tables and tax rate schedules, but instead, had to be specifically deducted in computing taxable income. For 1987, taxpayers subtracted the larger of the standard deduction or total itemized deductions.

Taxpayers age 65 or over or who were blind were allowed a higher basic standard deduction as well as an additional deduction amount for each taxpayer age 65 or over or blind. Prior to 1987, additional benefits for the aged and blind had been in the form of extra personal exemptions.

For 1987, the amount of the basic standard deduction allowable for age or blindness was \$3,000 for single taxpayers, \$5,000 for married taxpayers filing jointly, \$2,500 for those married taxpayers who filed separately, and \$4,400 for those who were heads of household. The amount of each deduction for age or blindness added to the higher basic standard deduction was \$750 for single or head of household filers and \$600 for married filers.

Statutory Adjustments

For 1987, the adjustments for moving expenses, employee business expenses, and IRA contributions were modified. A health insurance deduction for the self-employed was added. See each adjustment (described above) for a more complete explanation.

Tax-Exempt Interest

Beginning with 1987, tax-exempt interest on state or local government obligations had to be shown on Federal income tax returns, even though it generally was not subject to Federal taxation.

Tax Rates

There were five tax brackets for 1987 instead of 14 or 15 for 1986. For 1987 tax rates ranged from 11 percent to 38.5 percent and for 1986 from 11 percent to 50 percent.

Unemployment Compensation

For 1987, all unemployment compensation was included in AGI, whereas for 1986 all or part of unemployment compensation was excluded depending on the taxpayers' filing status and income level.

RETROSPECTIVE INCOME CONCEPT

In order to analyze changes in income and assess the impact of taxes, an income concept with a consistent definition of income must be used. The income concept available from Federal income tax returns, adjusted gross income (AGI), was designed for tax administration and its definition changes to reflect tax law. New tax laws of the 1980's--the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, and the Tax Reform Act of 1986--made significant changes to the components of adjusted gross income (AGI), making it difficult to use AGI for accurate comparisons of income from year to year.

For this reason, it was decided to develop an income definition that would be applicable over several years and allow comparisons both before and after the major tax legislation of the 1980's. This new income concept would be calculated using data available only from individual income tax returns. (For a more complete explanation of other income concepts see Appendix A of Section 4, "High Income Returns: Taxable and Nontaxable" in this report.)

The "retrospective" income definition that was developed was called the "1979 Income Concept" and reflected the base period 1979 through 1986. Using this base period and the data reported on individual tax returns, this new income measure could be defined consistently across all these years. Also, by continuing to include the same components that were common to all years, the retrospective income definition could be used to compare income of future years to income for these prior base years [2].

The calculation of the 1979 Income Concept is shown in Figure 1 with those income items that could be identified from income tax returns for the base years included. Several items partially excluded from AGI for the base years were fully included in this new income measure, the largest of which was the capital gains exclusion. The full amount of all

capital gains, as well as all dividends and unemployment compensation were added to the calculation. Total pensions, annuities, IRA distributions, and rollovers were added, including the nontaxable portion that was excluded from AGI. Also, any depreciation deduction in excess of straight-line depreciation subtracted in computing AGI was added back. Adjustments that could be subtracted from the 1979 Income Concept calculation were limited to employee business expenses, alimony paid, and moving expenses. Social security benefits, although obviously income, were omitted because they were not potentially subject to tax or even partially included on the tax return until 1984.

unreimbursed business expenses and moving expenses as adjustments in figuring AGI. Since passive losses had been fully deductible for both income measures prior to 1987, the disallowed passive losses for 1987 had to be accounted for in the 1979 Income Concept calculation of 1987 income. Unreimbursed business expenses were allowed only as an itemized deduction limited to the amount exceeding 2 percent of AGI under the new rules for 1987. In order to be consistent with prior years, the full amount of unreimbursed business expenses reported as an itemized deduction for 1987 was added to the reimbursed business expense adjustment in the calculation of the 1979 Income Concept. The new law also changed moving expenses from an adjustment in AGI for 1986 to an itemized deduction for 1987.

Figure 1.--Calculation of the 1979 Income Concept for 1987

1979 TOTAL INCOME =

- Salaries and wages*
- + Interest*
- + Dividends (without any exclusion)*
- + Alimony received*
- + Capital gains (without any exclusion) and allowable losses*
- + Capital gains not reported on Schedule D (without any exclusion)*
- + Other gains or losses (Form 4797)*
- + Net business income or loss*
- + Net farm income or loss*
- + Net rent income or loss*
- + Net royalty income or loss*
- + Net partnership income or loss*
- + Net Subchapter S Corporation income or loss*
- + Net farm rental income or loss*
- + Net estate and trust income or loss*
- + Unemployment insurance income reported*
- + Depreciation in excess of straight-line depreciation**
- + Total pension income reported**
- + Net other income*
- LESS
- + Disallowed passive losses**
- + Moving expenses**
- + Employee business expenses (includes both reimbursed and unreimbursed)**
- + Alimony paid*

*Included in Tax Year 1987 AGI.

**Not fully included in AGI for Tax Year 1987.

The Tax Reform Act of 1986 made changes in the calculation of AGI that made it necessary to revise the calculation of the 1979 Income Concept for 1987 in order to make it comparable to 1986. The new law limited the deduction of passive losses and eliminated

COMPARISON OF AGI AND 1979 INCOME CONCEPT

The Tax Reform Act of 1986 made extensive changes in the composition of AGI for Tax Year 1987. The Act incorporated into AGI most of the income items included in the 1979 Income Concept. Income, such as capital gains, that had been partially excluded from AGI under prior law was now fully included, and certain deductions were eliminated or limited. For this reason, a comparison of 1986 and 1987 income and tax data using AGI is misleading. However, the 1979 Income Concept, which permits income to be measured in the same way for 1986 and 1987, could be used to make a more accurate comparison of these two years.

Table B shows the differences in income and selected tax items for 1987 under AGI and the 1979 Income Concept. This difference, which had been most pronounced in past years at income levels of \$200,000 or more, was much less for 1987 with the elimination of preferential treatment of various income items, such as the exclusion of capital gains. In prior years, the capital gains exclusion accounted for the largest difference between the two income measures.

Although total income for all return, using the 1979 Income Concept, increased 2 percent for 1987, total income for the highest income group -- \$200,000 and above -- declined from \$351.9 billion for 1986 to \$284.7 billion for 1987. This drop in total income can be traced in part to the 66 percent decline from 1986 in capital gains, which made up a larger proportion of income for this group. This large decline for 1987 followed a substantial jump in capital gains for 1986, the last year in which taxpayers could exclude 60 percent of their capital gains from income. As a percentage of total income for all returns, the income of the \$200,000 and over class fell over 20 percent from 1986 to 1987, but income taxes for this group, as a percentage of total income taxes, fell only 7 percent in the same time period.

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total income				Salaries and wages			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.	106,996	2,773,824	106,996	2,813,525	90,984	2,163,906	90,984	2,163,906
Under \$10,000	33,514	120,451	33,216	116,528	26,075	126,156	25,901	124,218
\$10,000 under \$20,000	25,236	370,660	25,095	368,972	20,884	286,699	20,738	284,292
\$20,000 under \$30,000	16,551	408,648	16,759	414,138	14,938	341,885	14,962	340,723
\$30,000 under \$40,000	11,605	402,501	11,635	403,601	10,712	343,052	10,716	340,526
\$40,000 under \$50,000	7,863	350,410	7,968	355,138	7,309	297,559	7,477	303,583
\$50,000 under \$60,000	4,581	249,478	4,578	249,602	4,265	210,357	4,285	211,662
\$60,000 under \$70,000	2,668	172,159	2,594	167,381	2,465	140,465	2,397	136,472
\$70,000 under \$80,000	1,514	112,840	1,507	112,427	1,379	89,409	1,387	88,420
\$80,000 under \$90,000	860	72,721	877	74,138	770	54,791	782	55,494
\$90,000 under \$100,000	552	52,279	582	55,162	487	37,360	519	38,401
\$100,000 under \$125,000	750	83,234	775	86,044	626	53,719	660	54,968
\$125,000 under \$150,000	384	52,411	412	56,381	319	31,989	344	32,704
\$150,000 under \$175,000	226	36,475	237	38,233	191	21,636	200	20,683
\$175,000 under \$200,000	154	28,854	166	31,102	121	15,915	131	16,505
\$200,000 under \$300,000	276	66,167	304	73,218	226	36,881	249	38,065
\$300,000 under \$400,000	103	35,243	113	38,652	83	18,690	92	19,224
\$400,000 under \$500,000	51	22,663	53	23,781	42	11,965	45	11,699
\$500,000 under \$1,000,000	75	50,898	84	56,129	62	23,517	68	23,865
\$1,000,000 or more	35	85,733	39	92,898	29	21,860	33	22,403
Size of income	Taxable interest received				Dividends in AGI		Dividends received	
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	67,934	168,966	67,934	168,966	22,324	66,791	22,324	66,791
Under \$10,000	14,811	21,616	14,543	21,389	3,432	4,068	3,316	4,074
\$10,000 under \$20,000	13,848	29,571	13,690	29,184	3,464	6,791	3,352	6,526
\$20,000 under \$30,000	11,372	20,648	11,572	22,300	3,204	6,100	3,316	6,796
\$30,000 under \$40,000	9,402	17,316	9,443	17,957	3,130	5,854	3,169	6,374
\$40,000 under \$50,000	6,925	14,269	7,016	13,884	2,612	5,237	2,649	5,117
\$50,000 under \$60,000	4,207	9,994	4,203	9,898	1,913	4,355	1,889	4,209
\$60,000 under \$70,000	2,540	7,902	2,468	7,160	1,301	3,653	1,258	3,514
\$70,000 under \$80,000	1,441	5,371	1,439	5,028	848	2,756	844	2,571
\$80,000 under \$90,000	841	4,124	858	4,050	546	2,297	565	2,102
\$90,000 under \$100,000	534	2,827	562	3,004	352	1,817	356	1,754
\$100,000 under \$125,000	731	5,679	756	5,583	513	3,670	533	3,483
\$125,000 under \$150,000	376	3,743	403	3,788	275	2,250	292	2,412
\$150,000 under \$175,000	221	2,462	231	2,302	169	1,548	171	1,433
\$175,000 under \$200,000	152	2,158	164	2,211	115	1,501	125	1,514
\$200,000 under \$300,000	272	4,875	300	4,827	225	3,543	245	3,564
\$300,000 under \$400,000	102	2,717	112	2,763	84	1,899	90	1,845
\$400,000 under \$500,000	50	1,652	53	1,649	44	1,212	47	1,175
\$500,000 under \$1,000,000	75	4,133	83	4,126	66	2,899	73	2,957
\$1,000,000 or more	35	7,909	39	7,864	32	5,340	34	5,373
Size of income	Business net income less loss				Sales of capital assets			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	13,002	105,461	13,002	105,461	15,450	137,399	15,450	137,399
Under \$10,000	2,933	2,024	2,874	1,780	2,199	7,104	2,111	7,133
\$10,000 under \$20,000	2,457	11,696	2,428	11,177	2,332	3,620	2,223	3,527
\$20,000 under \$30,000	2,189	13,847	2,189	13,767	2,142	4,255	2,238	4,372
\$30,000 under \$40,000	1,729	11,412	1,736	10,888	2,033	4,619	1,994	4,711
\$40,000 under \$50,000	1,214	10,270	1,223	10,115	1,627	5,075	1,706	5,167
\$50,000 under \$60,000	745	8,122	760	7,851	1,292	5,317	1,268	4,799
\$60,000 under \$70,000	501	6,788	492	6,714	936	4,704	887	4,870
\$70,000 under \$80,000	324	6,470	324	6,031	630	4,058	639	3,901
\$80,000 under \$90,000	192	4,048	204	4,158	457	3,925	462	3,700
\$90,000 under \$100,000	128	3,236	142	3,571	322	3,247	328	3,183
\$100,000 under \$125,000	212	7,117	220	6,783	487	7,601	501	7,625
\$125,000 under \$150,000	111	4,844	117	5,094	260	5,543	288	5,198
\$150,000 under \$175,000	66	2,807	74	3,456	163	5,006	181	5,165
\$175,000 under \$200,000	47	2,593	50	2,455	119	4,234	130	4,197
\$200,000 under \$300,000	77	3,919	88	4,841	221	10,456	247	10,640
\$300,000 under \$400,000	29	2,049	29	2,253	85	6,717	90	6,594
\$400,000 under \$500,000	13	849	15	934	44	4,933	46	4,918
\$500,000 under \$1,000,000	22	1,663	24	1,835	68	12,636	74	12,860
\$1,000,000 or more	11	1,708	13	1,757	33	34,349	36	34,838

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Rents, royalties and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All returns, total	9,892	-7,323	9,892	-7,323	5,575	24,314	5,575	24,314
Under \$10,000	1,460	-3,235	1,425	-3,400	642	-17,047	645	-17,953
\$10,000 under \$20,000	1,622	-122	1,573	-61	602	396	560	206
\$20,000 under \$30,000	1,521	-1,541	1,543	-1,412	635	658	634	707
\$30,000 under \$40,000	1,307	-1,430	1,296	-1,152	610	1,189	626	1,167
\$40,000 under \$50,000	1,047	-1,260	1,111	-1,466	566	879	571	799
\$50,000 under \$60,000	777	-1,391	769	-1,229	457	1,038	458	1,356
\$60,000 under \$70,000	565	-1,033	512	-1,037	345	1,327	324	844
\$70,000 under \$80,000	329	-848	349	-872	272	683	274	762
\$80,000 under \$90,000	253	-206	255	-176	215	747	220	721
\$90,000 under \$100,000	169	161	182	32	163	1,512	165	1,390
\$100,000 under \$125,000	259	321	276	113	285	1,980	287	2,073
\$125,000 under \$150,000	153	170	154	298	187	2,593	197	2,554
\$150,000 under \$175,000	94	304	96	224	118	1,995	117	1,969
\$175,000 under \$200,000	64	147	67	122	88	1,894	95	2,014
\$200,000 under \$300,000	131	681	140	719	184	4,292	189	4,723
\$300,000 under \$400,000	51	337	52	274	75	2,185	76	2,307
\$400,000 under \$500,000	26	286	27	317	39	1,378	39	1,548
\$500,000 under \$1,000,000	41	619	43	608	61	4,320	64	4,592
\$1,000,000 or more	20	717	22	774	30	12,294	33	12,535

Size of income	Nondeductible passive losses				Estate or trust net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	1,953	13,882	1,953	13,882	796	4,324	796	4,324
Under \$10,000	159	3,542	184	4,711	147	19	150	-8
\$10,000 under \$20,000	136	324	131	417	123	358	118	402
\$20,000 under \$30,000	172	505	169	418	103	445	108	459
\$30,000 under \$40,000	170	481	168	370	87	311	87	291
\$40,000 under \$50,000	156	353	160	427	65	248	65	212
\$50,000 under \$60,000	152	450	144	337	43	275	49	267
\$60,000 under \$70,000	131	360	125	326	47	130	42	162
\$70,000 under \$80,000	115	375	122	324	32	193	28	124
\$80,000 under \$90,000	110	366	105	406	18	58	16	56
\$90,000 under \$100,000	66	294	61	242	15	120	14	212
\$100,000 under \$125,000	128	721	128	664	30	331	33	311
\$125,000 under \$150,000	108	716	107	572	21	201	22	211
\$150,000 under \$175,000	77	513	73	465	11	87	12	95
\$175,000 under \$200,000	54	579	56	412	9	96	9	79
\$200,000 under \$300,000	106	1,148	106	1,098	20	282	20	281
\$300,000 under \$400,000	43	698	43	589	8	104	8	106
\$400,000 under \$500,000	22	433	20	345	5	95	5	103
\$500,000 under \$1,000,000	33	921	34	807	7	319	7	308
\$1,000,000 or more	15	1,102	16	949	4	650	5	651

Size of income	Pensions and annuities in AGI		Pensions and annuities		Total statutory adjustments			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	16,498	124,755	17,826	171,840	11,620	30,116	10,469	29,944
Under \$10,000	3,146	11,953	3,074	12,110	921	1,550	705	1,224
\$10,000 under \$20,000	4,386	29,765	4,403	30,267	1,934	3,100	1,619	2,522
\$20,000 under \$30,000	2,624	20,664	2,925	24,185	2,504	4,737	2,267	4,155
\$30,000 under \$40,000	2,047	17,063	2,285	20,923	2,305	4,912	2,112	4,430
\$40,000 under \$50,000	1,624	14,157	1,795	16,451	1,658	3,306	1,660	3,624
\$50,000 under \$60,000	970	8,659	1,072	10,106	621	1,785	572	1,911
\$60,000 under \$70,000	620	6,587	722	8,539	432	1,522	338	1,295
\$70,000 under \$80,000	343	3,783	441	6,245	296	1,238	249	1,097
\$80,000 under \$90,000	198	2,699	249	4,315	186	880	172	895
\$90,000 under \$100,000	114	1,696	176	3,427	125	778	139	934
\$100,000 under \$125,000	170	2,670	248	5,225	220	1,402	208	1,543
\$125,000 under \$150,000	73	1,133	123	3,988	119	1,060	119	1,240
\$150,000 under \$175,000	45	788	76	3,180	74	714	78	860
\$175,000 under \$200,000	37	616	59	2,285	54	589	52	666
\$200,000 under \$300,000	53	1,028	90	5,823	92	1,104	98	1,578
\$300,000 under \$400,000	19	465	34	3,414	32	509	32	607
\$400,000 under \$500,000	9	243	15	1,540	15	255	15	339
\$500,000 under \$1,000,000	13	456	26	4,761	22	405	23	627
\$1,000,000 or more	6	328	12	5,052	10	269	11	399

Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1987

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total itemized deductions				Taxable income			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(63)	(54)	(55)	(56)
All returns, total.	35,628	392,020	35,628	392,020	90,079	1,850,597	90,079	1,850,597
Under \$10,000	1,107	8,019	1,124	8,731	17,902	38,845	17,814	38,816
\$10,000 under \$20,000	3,782	25,056	3,735	24,916	24,107	191,070	23,864	188,431
\$20,000 under \$30,000	6,195	42,498	6,236	43,515	16,436	259,928	16,594	261,356
\$30,000 under \$40,000	7,182	56,824	7,094	56,380	11,579	270,914	11,592	271,405
\$40,000 under \$50,000	6,189	58,147	6,240	58,771	7,849	242,713	7,940	244,830
\$50,000 under \$60,000	3,994	43,473	3,989	43,622	4,574	177,708	4,564	176,858
\$60,000 under \$70,000	2,453	31,531	2,375	30,032	2,665	124,761	2,587	120,319
\$70,000 under \$80,000	1,418	21,334	1,396	20,531	1,512	82,378	1,501	80,623
\$80,000 under \$90,000	810	14,112	817	13,992	858	53,682	870	53,716
\$90,000 under \$100,000	525	9,973	551	10,271	551	39,113	578	39,910
\$100,000 under \$125,000	713	16,201	728	15,958	747	62,777	773	62,957
\$125,000 under \$150,000	366	10,047	390	10,048	383	40,169	411	40,980
\$150,000 under \$175,000	216	6,805	222	6,790	225	28,395	235	27,732
\$175,000 under \$200,000	150	5,405	159	5,410	153	22,587	166	23,153
\$200,000 under \$300,000	270	11,528	291	11,685	275	53,180	303	55,035
\$300,000 under \$400,000	101	6,067	110	6,249	103	28,627	112	28,862
\$400,000 under \$500,000	50	3,570	52	3,509	51	18,837	53	18,692
\$500,000 under \$1,000,000	74	7,803	82	7,845	75	42,795	83	43,714
\$1,000,000 or more	35	13,625	39	13,764	35	72,121	39	73,211

Size of income	Total tax credits				Total income tax			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)
All returns, total.	12,901	6,329	12,901	6,329	86,724	369,203	86,724	369,203
Under \$10,000	1,493	274	1,475	271	16,204	4,786	16,132	4,907
\$10,000 under \$20,000	4,350	1,424	4,347	1,420	22,587	25,074	22,333	24,725
\$20,000 under \$30,000	1,956	898	1,968	893	16,341	38,410	16,498	38,697
\$30,000 under \$40,000	1,667	747	1,657	736	11,546	42,810	11,559	43,012
\$40,000 under \$50,000	1,301	594	1,299	594	7,839	41,346	7,929	41,706
\$50,000 under \$60,000	806	374	814	371	4,572	33,651	4,562	33,560
\$60,000 under \$70,000	458	232	447	217	2,665	26,064	2,586	25,058
\$70,000 under \$80,000	243	186	232	158	1,510	18,630	1,499	18,171
\$80,000 under \$90,000	149	118	160	110	859	12,968	871	12,964
\$90,000 under \$100,000	98	87	101	84	552	9,837	578	9,966
\$100,000 under \$125,000	125	186	124	150	748	16,704	772	16,649
\$125,000 under \$150,000	63	120	68	116	383	11,433	411	11,601
\$150,000 under \$175,000	40	108	43	100	226	8,391	236	8,095
\$175,000 under \$200,000	33	106	36	85	154	6,888	166	7,008
\$200,000 under \$300,000	53	176	59	243	276	17,075	303	17,426
\$300,000 under \$400,000	21	114	23	157	103	9,514	113	9,488
\$400,000 under \$500,000	12	61	12	65	51	6,389	53	6,300
\$500,000 under \$1,000,000	21	153	22	177	75	14,745	84	14,987
\$1,000,000 or more	12	371	13	382	35	24,490	39	24,883

The average tax rates for 1986 and 1987 based on AGI and the 1979 Income Concept are compared in Figure 2. The change in tax rates move in opposite directions between the two years in the higher income classes, depending on the income measure used -- AGI or the 1979 Income Concept. Based on AGI, average tax rates declined at every income level from 1986 to 1987. The decrease was greatest at the higher income levels, with the rate for the

highest income class--\$1,000,000 and above --declining from 40.2 percent for 1986 to 28.6 percent for 1987. This large decrease, however, could be traced to the change in the composition of AGI under the provisions of the Tax Reform Act of 1986 that eliminated the 60 percent exclusion for capital gains and limited the deductibility of passive losses. With all capital gains included in AGI for 1987 and passive losses limited, AGI increased and average tax rates declined, especially for the higher income classes, which have a greater percentage of capital gains and passive losses.

In contrast, when income is computed in the same way for both years by using the 1979 Income Concept, average tax rates show a decline between 1986 and 1987 only for incomes below \$60,000. At income levels of \$60,000 and above the rate steadily climbs for 1987 to a high of 26.8 percent for the \$1,000,000 and above class, an increase of 25 percent over the 1986 average tax rate of 21.4 percent for this class. This increase, despite new lower tax rates for 1987, reflected the elimination of preferential treatment of various income items, especially capital gains.

Figure 2.—Total Income Tax as a Percentage of Income, 1986 and 1987

Size of Income	Taxes as a percentage of adjusted gross income		Taxes as a percentage of 1979 Income Concept	
	1986 (1)	1987 (2)	1986 (3)	1987 (4)
All returns, total	14.8%	13.3%	13.3%	13.1%
Under \$10,000	4.3	4.0	4.9	4.2
\$10,000 under \$20,000	7.8	6.8	7.6	6.7
\$20,000 under \$30,000	10.6	9.4	10.0	9.3
\$30,000 under \$40,000	12.2	10.6	11.6	10.7
\$40,000 under \$50,000	13.8	11.8	12.6	11.7
\$50,000 under \$60,000	15.5	13.5	13.8	13.4
\$60,000 under \$70,000	16.9	15.1	14.9	15.0
\$70,000 under \$80,000	18.7	16.5	15.8	16.2
\$80,000 under \$90,000	19.9	17.8	16.7	17.5
\$90,000 under \$100,000	20.8	18.8	16.8	18.1
\$100,000 under \$125,000	23.1	20.1	18.3	19.3
\$125,000 under \$150,000	25.2	21.8	19.0	20.6
\$150,000 under \$175,000	28.0	23.0	19.3	21.2
\$175,000 under \$200,000	29.3	23.9	20.3	22.5
\$200,000 under \$300,000	31.1	25.8	22.6	23.8
\$300,000 under \$400,000	33.7	27.0	22.6	24.5
\$400,000 under \$500,000	36.2	28.2	23.4	26.5
\$500,000 under \$1,000,000	38.4	29.0	23.7	26.7
\$1,000,000 or more	40.2	28.6	21.4	26.8

NOTES AND REFERENCES

- [1] Strudler, Michael, and Ring, Emily, "Individual Income Tax Returns, Preliminary 1988", Statistics of Income Bulletin, Spring 1990, Volume 9, Number 4.
- [2] Hostetter, Susan, "Measuring Income for Developing and Reviewing Individual Tax Law Changes; Exploration of Alternative Concepts," Statistics of Income and Related Administrative Record Research: 1986-1987, U.S. Department of the Treasury, Internal Revenue Service, 1987.

Section 2

Description of the Sample*

This section describes the sample criteria and selection, the method of estimation, and the sampling variability of the estimates contained in this report. It also describes the methodology needed to compute confidence interval estimates, as well as some of the limitations of the data. Statistical estimates included in this report are based on the tax return.

SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed at the ten Internal Revenue Service (IRS) Centers during Calendar Year 1988. The total sample of 125,888 returns was selected from a population of 107,173,062 returns.

All returns processed during 1988 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those that contained no income information were excluded from the tables in this report. Sample returns representing 176,792 returns were excluded from the tables as a result.

The estimates in this report are intended to represent all returns filed for Tax Year 1987. While about 97 percent of the returns processed during Calendar Year 1988 were for Tax Year 1987, a few were for noncalendar years ending during 1987 and 1988 and some were returns for prior years. Returns for prior years were used in place of 1987 returns received and processed after December 31, 1988. This was done in the belief that the characteristics of returns due but not yet

processed could best be represented by the returns for previous income years that were processed in 1988. Therefore, data for Tax Year 1987 may include amounts for discontinued items, such as the deduction for a working married couple, reported on prior year returns processed in 1988.

SAMPLE DESIGN AND SELECTION CRITERIA

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the National Computing Center during Calendar Year 1988 were classified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition, the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or (Loss) from Business or Profession; a Schedule F, Farm Income and Expenses; and Form 4835, Farm Rental Income and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the social security number (SSN), and the second method used ending digits of numbers generated from transformations of the SSN. The sampling rates for the various strata ranged from 0.03 percent to 100 percent.

Table C contains the number of returns in the population and sample-by-sample stratum for the United States and State groups. The State groups were formed on the basis of total number of Forms 1040, 1040A, and 1040EZ filed from each State. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 176,792 returns (see above).

*Bonnye Walker designed the sample under the direction of Susan Hostetter, Chief, Sample Redesign Team, Coordination and Publication Staff. Bonnye Walker and Karen O'Connor prepared the text and tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Team, Coordination and Publication Staff.

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1987

Description of the sample strata	Number of Returns ¹					
	United States Total ²		State Group A ³		State Group C ⁴	
	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts
	(1)	(2)	(3)	(4)	(5)	(6)
Grand total	107,173,062	125,888	7,146,255	7,222	100,026,807	118,665
Form 1040 returns only with adjusted gross income of \$200,000 and over with no income tax after credits and no additional tax for tax preferences: total	875	875 ⁵	36	36	839	839 ⁵
Form 1040 returns only with combined Schedule C (business or profession) net profit or net loss of \$350,000 and over: total	9,593	9,593	531	531	9,062	9,062
Larger of total income amount or total loss amount and Size of business receipts plus farm receipts						
Forms 1040 only with Form 2555, total	170,951	1,771	—	—	170,951	1,771
Under \$50,000 Under \$500,000	95,382	200	—	—	95,382	200
\$50,000 under \$100,000 Under \$500,000						
Under \$50,000 \$500,000 under \$1,000,000	43,967	97	—	—	43,967	97
\$100,000 under \$500,000 Under \$1,000,000						
Under \$100,000 \$1,000,000 under \$10,000,000	30,734	606	—	—	30,734	606
\$500,000 under \$2,000,000 Under \$10,000,000						
Under \$500,000 \$10,000,000 under \$30,000,000	828	828	—	—	828	828
\$2,000,000 and over Any amount						
Under \$2,000,000 \$30,000,000 and over	40	40	—	—	40	40
Forms 1040 only with Form 1116, but without Form 2555, total	530,669	8,780	29,786	374	500,883	8,406
Under \$50,000 Under \$500,000	223,218	519	13,275	21	209,943	498
\$50,000 under \$100,000 Under \$500,000						
Under \$50,000 \$500,000 under \$1,000,000	153,427	392	8,831	19	144,596	373
\$100,000 under \$500,000 Under \$1,000,000						
Under \$100,000 \$1,000,000 under \$10,000,000	132,963	2,651	6,787	128	126,176	2,523
\$50,000 under \$2,000,000 Under \$10,000,000						
Under \$500,000 \$10,000,000 under \$30,000,000	18,022	2,179	787	100	17,235	2,079
\$2,000,000 and over Any amount						
Under \$2,000,000 \$30,000,000 and over	3,039	3,039	106	106	2,933	2,933
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total	13,192,242	23,473	966,954	1,486	12,225,288	21,987
Under \$25,000 Under \$200,000	5,852,455	3,212	455,035	270	5,397,420	2,942
\$25,000 under \$50,000 Under \$500,000						
Under \$25,000 \$200,000 under \$500,000	4,321,638	4,775	324,282	363	3,997,356	4,412
\$50,000 under \$100,000 Under \$1,000,000						
Under \$50,000 \$500,000 under \$1,000,000	2,247,741	4,795	143,062	305	2,104,679	4,490
\$100,000 under \$200,000 Under \$5,000,000						
Under \$100,000 \$1,000,000 under \$5,000,000	567,351	2,365	33,750	130	533,601	2,235
\$200,000 under \$500,000 Under \$10,000,000						
Under \$200,000 \$5,000,000 under \$10,000,000	162,964	1,942	8,888	111	154,076	1,831
\$500,000 under \$1,000,000 Under \$20,000,000						
Under \$500,000 \$10,000,000 under \$20,000,000	26,944	1,078	1,315	50	25,629	1,028
\$1,000,000 under \$2,000,000 Under \$30,000,000						
Under \$1,000,000 \$20,000,000 under \$30,000,000	8,797	2,637	419	122	8,378	2,515
\$2,000,000 under \$5,000,000 Under \$50,000,000						
Under \$2,000,000 \$30,000,000 under \$50,000,000	3,367	1,684	153	85	3,214	1,599
\$5,000,000 and over Any amount						
Under \$5,000,000 \$50,000,000 and over	985	985	50	50	935	935
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total	1,885,673	3,303	178,736	244	1,706,937	3,059
Under \$25,000 Under \$200,000	841,669	270	88,894	32	752,775	238
\$25,000 under \$50,000 Under \$500,000						
Under \$25,000 \$200,000 under \$500,000	657,765	493	58,943	43	598,822	450
\$50,000 under \$100,000 Under \$1,000,000						
Under \$50,000 \$500,000 under \$1,000,000	291,151	374	23,006	25	268,145	349
\$100,000 under \$200,000 Under \$5,000,000						
Under \$100,000 \$1,000,000 under \$5,000,000	63,418	177	5,558	15	57,860	162
\$200,000 under \$500,000 Under \$10,000,000						
Under \$200,000 \$5,000,000 under \$10,000,000	24,095	337	1,836	23	22,259	314
\$500,000 under \$1,000,000 Under \$20,000,000						
Under \$500,000 \$10,000,000 under \$20,000,000	5,149	198	340	14	4,809	184
\$1,000,000 under \$2,000,000 Under \$30,000,000						
Under \$1,000,000 \$20,000,000 under \$30,000,000	1,624	652	109	42	1,515	610
\$2,000,000 under \$5,000,000 Under \$50,000,000						
Under \$2,000,000 \$30,000,000 under \$50,000,000	626	626	39	39	587	587
\$5,000,000 and over Any amount						
Under \$5,000,000 \$50,000,000 and over	176	176	11	11	165	165
Forms 1040, 1040A and 1040EZ without Form 2555, Form 1116, Schedule C or Schedule F, total	91,383,059	78,093	5,970,212	4,551	85,412,847	73,542
Under \$25,000	59,208,650	32,561	4,028,975	2,215	55,179,675	30,346
\$25,000 under \$50,000	22,396,013	16,191	1,420,496	997	20,975,517	15,194
\$50,000 under \$100,000	8,279,340	7,911	447,544	419	7,831,796	7,492
\$100,000 under \$200,000	1,108,896	2,560	55,127	128	1,053,769	2,432
\$200,000 under \$500,000	311,812	3,182	14,754	153	297,058	3,029
\$500,000 under \$1,000,000	54,400	1,419	2,324	57	52,076	1,362
\$1,000,000 under \$2,000,000	16,328	6,650	693	284	15,635	6,366
\$2,000,000 under \$5,000,000	5,907	5,906	230	229	5,677	5,677
\$5,000,000 and over	1,713	1,713	69	69	1,644	1,644

¹ This population includes an estimated 176,792 returns (State Group A—3,637 returns, State Group C—173,155 returns) that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

² Three State Groups (A, B and C) were available for use in the sample design, however, State Group B was empty.

³ State Group A contains returns from the District of Columbia and the following states: Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

⁴ State Group C includes returns from those states that are not included in State Group A and the following: Puerto Rico, the Office of the Assistant Commissioner (International) and taxpayers having APO/FPO addresses.

⁵ This population includes 16 Form 1040 returns that have alternative minimum tax other than zero.

METHOD OF ESTIMATION

Weighting factors were obtained by dividing the population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to "integer weighting factors" which were applied to each return. For example, if a weight of 44.24 was computed for a stratum, 24 percent of the sample returns in that stratum received an integer weight of 45, and 76 percent a weight of 44. One set of weighting factors was also computed for each State group. These two sets of weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

SAMPLING VARIABILITY AND CONFIDENCE INTERVALS

The sample used in this study is one of a large number of samples that could have been selected using the same sample design. The estimates calculated from these different samples would vary. The difference between a sample estimate and the average of the estimates calculated from all possible samples is called the sampling error. The standard error (SE) is a measure of the average magnitude of the sampling errors over all possible samples; that is, it is a measure of the variation among the estimates from all possible samples. Thus, the standard error is a measure of the precision with which an estimate from a particular sample approximates the average of the estimates calculated from all possible samples.

Sometimes, the standard error is expressed as a percent of the value being estimated. This is called the coefficient of variation (CV). Figure 3 contains estimated CV's for a few of the national level estimates in the report. The estimated CV is calculated by dividing the estimated standard error by the estimate [1].

The sample estimate and an estimate of its standard error permit us to construct interval estimates with prescribed confidence that the interval includes the average of the estimates calculated from all possible samples. If all possible samples were selected under essentially the same conditions and an estimate and its estimated standard error were calculated from each sample, then:

1. About 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate would include the average value of all possible samples. This is a 68 percent confidence interval.
2. About 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate would

Figure 3.—Income and Coefficient of Variation for Selected Items, 1987

[Money amounts are in thousands of dollars]

Item	Income amount	Coefficient of variation
	(1)	(2)
Adjusted gross income less deficit	2,773,824,198	0.13
Salaries and wages	2,163,905,509	0.20
Taxable interest received	168,966,067	0.84
Tax-exempt interest	30,469,060	4.51
Dividends	66,791,158	1.27
Sales of capital assets net gain less loss	137,398,726	0.96
Sales of property other than capital assets		
Net income	5,274,031	4.27
Net loss	4,623,652	6.03
Total pensions and annuities	171,839,632	1.64
Farm		
Net income	10,714,192	4.59
Net loss	12,037,656	3.15
Total Social Security benefits	77,854,622	1.33
Total statutory adjustments	30,116,329	1.22
Total itemized deductions	392,020,128	0.40
Home Mortgage interest	136,839,622	0.58

include the average value of all possible samples. This is a 95 percent confidence interval.

For example: the estimate, X, for adjusted gross income (AGI) is \$2,773.824 billion and its coefficient of variation, CV(X) is 0.13 percent. The standard error of the estimate, SE(X), is equal to the estimate multiplied by its coefficient of variation.

$$\begin{aligned}
 SE(X) &= X \cdot CV(X) \\
 &= (\$2,773.824 \text{ billion}) \cdot (0.0013) \\
 &= \$3.606 \text{ billion}
 \end{aligned}$$

Thus, the 95 percent confidence interval is:

$$(\$2,773.824 \text{ billion} - 2 * \$3.606 \text{ billion}, \\
 \$2,773.824 \text{ billion} + 2 * \$3.606 \text{ billion})$$

from \$2,766.612 billion to \$2,781.036 billion.

TABLE PRESENTATION

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (**) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a

single asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns. Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained by writing to the Statistics of Income Division R:S:I, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

PROCESSING AND MANAGEMENT OF THE SAMPLE

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during processing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the "other income" line of the Form 1040 return. If this situation had been detected during statistical processing, the amount of director's fees would have been transferred to salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS Service Centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent missing data [2, 3].

Sometimes, some returns selected in the sample may not be available for SOI Processing because other areas of the IRS such as Audit, Collection, or a District Office may have the sampled return during the time SOI needs it. These returns are termed unavailable returns. In 1987, there were 166 unavailable returns which constituted about one-tenth of one percent of the sample. The following chart contains the percentage of unavailable returns for years 1984-1987.

Year	1984	1985	1986	1987
Percent	3.9	1.8	0.3	0.1

After the completion of Service Center review, data were further validated, tested, and balanced at the Detroit Computing Center. Computer adjustments and imputations for selected fields were used to make each record internally consistent. Data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation. Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

SAMPLE REDESIGN

A complete revision to the sample design used to produce the statistics from individual income tax returns is being phased in over a 5-year period beginning with Tax Year 1987 and ending with Tax Year 1991. In addition to new strata classes and methods of estimation, the revisions include the development of a longitudinal panel. For additional details on the redesign see [4], [5], [6], [7] and [8].

NOTES AND REFERENCES

- [1] Figure 3 does not contain estimates for net income less loss items when the estimate is close to zero, e.g., Schedule F. This is because the CV is not a useful transformation of the standard error in these cases. CV's such as those for net income less loss are usually very large compared to those for the component estimates of net income and net loss.
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*Production and review of tables was coordinated by June Walters. Louella Ballenger, William Bradley, Marshall Epstein, Charles Hicks, Barbara Marshall, and Emily Ring were responsible for specific tables.

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

(A) figures are estimates based on samples—money amounts are in thousands of dollars

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
Size of Adjusted Gross Income	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	106,996,270	100.0	2,773,824,198	100.0	25,924	86,723,796	100.0	2,700,778,243	100.0
No adjusted gross income	841,509	0.8	-39,903,703	(1)	-47,419	8,386		-3,199,074	(3)
\$1 under \$1,000	2,849,870	2.7	1,742,974	0.1	612	744,168	0.9	552,639	(2)
\$1,000 under \$2,000	3,687,486	3.4	5,530,575	0.2	1,500	1,006,300	1.2	1,491,204	0.1
\$2,000 under \$3,000	3,746,316	3.5	9,363,997	0.3	2,500	1,226,315	1.4	3,154,079	0.1
\$3,000 under \$4,000	3,353,241	3.1	11,718,866	0.4	3,495	1,313,280	1.5	4,559,092	0.2
\$4,000 under \$5,000	3,337,849	3.1	15,007,069	0.5	4,496	1,668,518	1.9	7,638,086	0.3
\$5,000 under \$6,000	3,306,589	3.1	18,180,848	0.7	5,498	2,079,418	2.4	11,441,752	0.4
\$6,000 under \$7,000	3,115,543	2.9	20,233,030	0.7	6,494	2,008,103	2.3	13,034,772	0.5
\$7,000 under \$8,000	3,204,919	3.0	24,018,480	0.9	7,494	2,064,563	2.4	15,622,218	0.6
\$8,000 under \$9,000	3,095,315	2.9	26,350,209	0.9	8,513	2,051,853	2.4	17,463,542	0.6
\$9,000 under \$10,000	2,975,075	2.8	28,208,895	1.0	9,482	2,013,020	2.3	19,077,624	0.7
\$10,000 under \$11,000	2,953,767	2.8	30,978,952	1.1	10,488	2,186,955	2.5	22,946,685	0.8
\$11,000 under \$12,000	2,809,399	2.6	32,306,167	1.2	11,500	2,216,053	2.6	25,478,396	0.9
\$12,000 under \$13,000	2,770,699	2.6	34,643,686	1.2	12,504	2,313,483	2.7	28,946,913	1.1
\$13,000 under \$14,000	2,733,013	2.6	36,874,713	1.3	13,492	2,450,646	2.8	33,071,115	1.2
\$14,000 under \$15,000	2,659,563	2.4	37,114,566	1.3	14,500	2,366,517	2.7	34,329,309	1.3
\$15,000 under \$16,000	2,499,483	2.3	38,713,545	1.4	15,489	2,405,227	2.8	37,258,788	1.4
\$16,000 under \$17,000	2,301,099	2.2	37,967,021	1.4	16,500	2,225,727	2.6	36,727,802	1.4
\$17,000 under \$18,000	2,292,106	2.1	40,095,118	1.4	17,493	2,220,134	2.6	38,836,735	1.4
\$18,000 under \$19,000	2,195,515	2.1	40,602,845	1.5	18,494	2,135,245	2.5	39,488,778	1.5
\$19,000 under \$20,000	2,121,480	2.0	41,361,029	1.5	19,496	2,067,559	2.4	40,309,033	1.5
\$20,000 under \$25,000	9,055,809	8.5	203,096,623	7.3	22,427	8,900,581	10.3	199,623,902	7.4
\$25,000 under \$30,000	7,494,827	7.0	205,551,504	7.4	27,426	7,440,040	8.6	204,048,673	7.6
\$30,000 under \$40,000	11,604,644	10.8	402,500,618	14.5	34,684	11,546,242	13.3	400,536,352	14.8
\$40,000 under \$50,000	7,562,901	7.3	350,409,746	12.6	44,565	7,839,002	9.0	349,348,086	12.9
\$50,000 under \$75,000	6,110,447	7.6	484,023,071	17.4	59,679	8,096,798	9.3	483,204,606	17.9
\$75,000 under \$100,000	2,064,189	1.9	175,453,698	6.3	84,999	2,061,641	2.4	175,234,447	6.5
\$100,000 under \$200,000	1,513,654	1.4	200,973,127	7.2	132,773	1,509,910	1.7	200,486,828	7.4
\$200,000 under \$500,000	429,671	0.4	24,073,791	4.5	288,765	429,035	0.5	123,887,946	4.6
\$500,000 under \$1,000,000	75,352	0.1	80,898,244	1.8	675,473	75,228	0.1	80,814,606	1.9
\$1,000,000 or more	34,944	(3)	85,732,872	3.1	2,453,436	34,547	(1)	85,363,309	3.2

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of		
								Total	Taxable income	Average gross income less deficit
Size of Adjusted Gross Income	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Total	86,675,726	1,841,389,696	100.0	86,694,480	367,527,687	100.0	369,202,757	100.0	20.1	13.7
No adjusted gross income	—	—	—	258	619	1.1	156,578	—	—	18,667
\$1 under \$1,000	742,349	153,810	8.3	744,167	23,637	(4)	23,666	(2)	15.4	4.3
\$1,000 under \$2,000	1,004,482	488,087	(5)	1,006,300	74,474	(2)	74,474	(2)	15.3	5.0
\$2,000 under \$3,000	1,224,495	719,552	(2)	1,226,314	109,167	(2)	109,169	(2)	15.2	3.5
\$3,000 under \$4,000	1,313,277	1,620,503	0.1	1,313,278	183,087	(2)	183,219	(2)	12.0	4.0
\$4,000 under \$5,000	1,663,061	2,121,903	0.1	1,668,516	251,860	0.1	252,515	0.1	11.9	3.3
\$5,000 under \$6,000	2,077,129	3,482,963	0.2	2,078,947	441,943	0.1	450,153	0.1	12.9	3.9
\$6,000 under \$7,000	2,005,571	4,511,055	0.2	2,007,393	539,923	0.1	548,634	0.1	12.2	4.2
\$7,000 under \$8,000	2,082,659	6,309,879	0.3	2,084,478	781,390	0.2	781,944	0.2	12.5	5.0
\$8,000 under \$9,000	2,049,936	7,740,815	0.4	2,051,755	1,000,670	0.3	1,002,960	0.3	13.0	5.7
\$9,000 under \$10,000	2,011,103	9,148,811	0.5	2,012,468	1,191,283	0.3	1,196,337	0.3	13.1	6.3
\$10,000 under \$11,000	2,185,954	10,647,295	0.6	2,185,954	1,385,308	0.4	1,385,308	0.4	13.0	6.0
\$11,000 under \$12,000	2,216,053	13,043,696	0.7	2,216,053	1,709,370	0.5	1,709,397	0.5	13.1	6.7
\$12,000 under \$13,000	2,313,384	15,046,236	0.8	2,313,384	1,939,012	0.5	1,939,698	0.5	12.9	6.7
\$13,000 under \$14,000	2,450,645	17,590,388	1.0	2,450,645	2,267,614	0.6	2,267,792	0.6	12.9	6.9
\$14,000 under \$15,000	2,366,045	18,534,750	1.0	2,366,045	2,433,316	0.7	2,433,974	0.7	13.1	7.1
\$15,000 under \$16,000	2,405,226	20,467,606	1.1	2,405,226	2,777,629	0.8	2,777,712	0.8	13.6	7.5
\$16,000 under \$17,000	2,225,727	21,202,152	1.2	2,225,727	2,893,417	0.8	2,894,161	0.8	13.7	7.9
\$17,000 under \$18,000	2,220,132	22,484,756	1.2	2,220,132	3,061,298	0.8	3,061,399	0.8	13.6	7.9
\$18,000 under \$19,000	2,134,382	22,423,424	1.3	2,134,731	3,224,876	0.9	3,226,984	0.9	13.8	8.2
\$19,000 under \$20,000	2,067,555	24,308,464	1.3	2,067,555	3,377,395	0.9	3,377,490	0.9	13.9	8.4
\$20,000 under \$25,000	8,897,283	125,365,847	6.8	8,897,677	18,000,263	4.9	18,014,147	4.9	14.4	9.0
\$25,000 under \$30,000	7,439,390	133,560,045	7.3	7,439,389	20,377,233	5.5	20,395,356	5.5	15.3	10.0
\$30,000 under \$40,000	11,544,806	270,239,296	14.7	11,545,188	42,772,525	11.6	42,809,755	11.6	15.6	10.7
\$40,000 under \$50,000	7,835,717	242,423,221	13.2	7,835,564	41,314,979	11.2	41,345,671	11.2	17.1	11.6
\$50,000 under \$75,000	8,094,839	347,888,196	18.9	8,094,184	69,780,754	19.0	69,872,423	18.9	20.1	14.5
\$75,000 under \$100,000	2,060,119	129,607,266	7.0	2,059,809	31,182,567	8.5	31,277,163	8.5	24.1	15.1
\$100,000 under \$200,000	1,507,204	153,645,543	8.4	1,506,339	43,079,900	11.7	43,415,426	11.8	28.2	21.7
\$200,000 under \$500,000	427,635	100,620,472	5.5	427,453	32,548,800	8.9	32,978,242	8.9	32.8	26.6
\$500,000 under \$1,000,000	74,874	42,786,129	2.3	74,861	14,700,315	4.0	14,745,147	4.0	34.5	29.0
\$1,000,000 or more	34,694	72,103,532	3.9	34,690	24,227,062	6.6	24,489,662	6.6	34.0	26.7

Footnotes at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns				
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit		
			Amount	Percent of total ¹	Average (dollars)			Amount	Percent of total ¹	
	1	2	3	4	5	6	7	8	9	
Cumulated from Smallest Size of Adjusted Gross Income										
No adjusted gross income	341,509	0.5	-39,903,703	7	-47,419	3,388	7	-3,199,274	7	
\$1 under \$1,000	2,349,870	3.7	1,742,974	0.1	610	744,168	2.3	552,639	1.7	
\$1 under \$2,000	6,537,356	6.1	7,273,549	0.3	1,113	1,750,468	5.0	2,043,843	5.1	
\$1 under \$3,000	10,283,672	9.6	16,637,547	0.6	1,619	2,976,733	8.4	6,137,320	15.1	
\$1 under \$4,000	13,636,913	12.7	28,356,413	1.0	2,079	4,290,263	4.9	9,757,713	24.4	
\$1 under \$5,000	16,974,762	15.9	43,363,432	1.5	2,556	5,956,561	6.9	17,355,098	43.6	
\$1 under \$6,000	20,281,351	19.0	51,544,330	2.1	3,035	8,037,999	9.3	28,336,651	71.1	
\$1 under \$7,000	23,396,894	21.9	51,777,360	2.3	3,435	10,046,102	11.6	41,871,623	104.6	
\$1 under \$8,000	26,601,913	24.9	105,795,340	3.9	3,977	12,130,665	14.0	57,493,241	143.7	
\$1 under \$9,000	29,697,128	27.8	132,146,049	4.7	4,450	14,130,516	16.1	74,957,380	187.4	
\$1 under \$10,000	32,670,203	30.5	160,354,943	5.7	4,908	16,195,538	18.7	94,035,006	235.9	
\$1 under \$11,000	35,625,970	33.3	191,333,296	6.9	5,371	18,381,493	21.2	116,981,890	292.4	
\$1 under \$12,000	38,435,365	35.9	223,642,060	7.9	5,819	20,597,546	23.3	142,460,088	356.3	
\$1 under \$13,000	41,206,064	38.3	258,295,749	9.2	6,268	22,911,029	26.4	171,407,001	430.3	
\$1 under \$14,000	43,939,077	41.1	295,160,462	10.5	6,717	25,261,875	28.2	204,473,476	513.6	
\$1 under \$15,000	46,496,640	43.5	330,276,048	11.9	7,146	27,729,130	30.0	238,307,425	595.9	
\$1 under \$16,000	48,998,123	45.9	370,988,532	13.2	7,577	30,133,419	34.7	276,066,213	692.1	
\$1 under \$17,000	51,299,222	47.9	408,955,613	14.6	7,955	32,359,746	37.3	312,794,215	779.6	
\$1 under \$18,000	53,591,328	50.1	449,050,731	16.0	8,379	34,579,280	39.9	351,630,748	878.0	
\$1 under \$19,000	55,736,543	52.1	499,653,576	17.4	8,777	36,774,526	42.3	391,119,577	974.5	
\$1 under \$20,000	57,908,323	54.1	531,214,605	18.9	9,170	38,732,084	44.7	431,426,560	1,069.3	
\$1 under \$25,000	66,964,130	62.6	734,111,228	26.1	10,963	47,682,665	55.7	531,252,462	1,323.3	
\$1 under \$30,000	74,458,959	69.6	939,662,732	33.4	12,620	55,122,736	63.8	635,101,335	1,593.9	
\$1 under \$40,000	86,263,603	80.4	1,342,163,350	47.7	15,595	66,668,247	74.9	735,637,437	1,843.7	
\$1 under \$50,000	93,926,504	87.3	1,692,573,298	60.1	18,020	74,507,249	86.3	884,955,973	2,215.3	
\$1 under \$75,000	102,036,951	95.4	2,176,596,159	77.4	21,337	82,804,747	95.5	1,068,190,191	2,685.3	
\$1 under \$100,000	104,101,140	97.3	2,352,249,567	83.6	22,594	84,666,366	97.8	1,243,424,625	3,113.3	
\$1 under \$200,000	105,614,794	98.7	2,553,222,994	90.7	24,173	86,176,298	99.4	1,443,911,456	3,614.4	
\$1 under \$500,000	106,044,465	99.1	2,677,096,735	95.1	25,245	86,805,333	99.9	1,567,799,402	3,943.3	
\$1 under \$1,000,000	106,119,317	99.2	2,777,955,029	97.0	25,707	86,680,561	100.0	2,613,674,208	6,585.8	
\$1 or more	106,154,761	99.2	2,873,727,901	100.0	26,506	86,715,408	100.0	2,703,977,317	6,843.3	
All returns	106,996,270	100.0	2,773,824,195	96.6	25,924	86,723,796	100.0	2,700,778,243	99.9	

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of		
								Total	Taxable income	Average income tax (dollars)
Cumulated from Smallest Size of Adjusted Gross Income	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(20)
No adjusted gross income	—	—	—	258	619	7	156,875	7	—	15,667
\$1 under \$1,000	712,349	153,310	12	744,167	23,637	3	23,666	3	15.4	4.3
\$1 under \$2,000	1,746,331	641,996	37	1,750,467	38,112	3	38,140	3	15.3	4.3
\$1 under \$3,000	2,971,326	1,361,449	41	2,976,731	207,079	0.1	207,309	0.1	13.6	4.0
\$1 under \$4,000	4,234,603	2,581,952	62	4,290,059	390,366	0.1	390,528	0.1	13.6	4.0
\$1 under \$5,000	5,947,664	5,003,855	83	5,956,575	642,226	0.2	643,043	0.2	12.9	3.7
\$1 under \$6,000	8,024,793	8,486,818	95	8,037,522	1,084,169	0.3	1,093,196	0.3	12.9	3.8
\$1 under \$7,000	10,030,364	12,997,673	127	10,044,915	1,624,092	0.4	1,641,830	0.4	12.6	3.9
\$1 under \$8,000	12,113,023	19,307,752	159	12,129,393	2,411,482	0.7	2,429,774	0.7	12.6	4.0
\$1 under \$9,000	14,162,959	27,048,567	198	14,181,148	3,412,152	0.9	3,432,734	0.9	12.7	4.6
\$1 under \$10,000	16,174,062	36,197,378	220	16,193,616	4,603,435	1.3	4,629,072	1.3	12.8	4.9
\$1 under \$11,000	18,360,016	46,844,673	256	18,379,570	5,966,743	1.6	6,014,379	1.6	12.8	5.1
\$1 under \$12,000	20,576,069	59,888,370	303	20,595,623	7,696,113	2.1	7,733,776	2.1	12.9	5.4
\$1 under \$13,000	22,839,453	74,934,607	341	22,909,007	9,637,126	2.6	9,663,474	2.6	12.9	5.6
\$1 under \$14,000	25,340,098	92,524,995	390	25,359,652	11,904,739	3.2	11,931,266	3.2	12.9	5.8
\$1 under \$15,000	27,706,143	111,059,745	439	27,725,697	14,338,255	3.9	14,365,240	3.9	12.9	6.0
\$1 under \$16,000	30,111,369	131,527,352	487	30,130,923	17,115,684	4.7	17,142,952	4.6	13.0	6.2
\$1 under \$17,000	32,337,296	152,729,503	535	32,356,650	20,009,701	5.4	20,037,113	5.4	13.1	6.4
\$1 under \$18,000	34,557,223	173,214,259	583	34,576,782	23,070,398	6.3	23,098,512	6.3	13.2	6.6
\$1 under \$19,000	36,691,610	194,641,684	631	36,711,513	26,295,274	7.2	26,325,496	7.2	13.3	6.9
\$1 under \$20,000	38,759,165	222,950,145	679	38,779,068	29,672,670	8.1	29,702,966	8.0	13.3	7.1
\$1 under \$25,000	47,656,448	348,315,994	839	47,676,745	47,672,933	13.2	47,717,133	12.9	13.7	7.5
\$1 under \$30,000	55,095,838	431,876,040	962	55,116,134	68,050,166	19.5	68,112,489	18.4	14.1	8.1
\$1 under \$40,000	66,640,644	752,115,336	1,154	66,661,322	110,822,697	30.2	110,922,244	30.0	14.7	9.0
\$1 under \$50,000	74,476,361	994,536,557	1,344	74,496,566	152,137,670	41.4	152,268,115	41.2	15.3	9.6
\$1 under \$75,000	82,571,200	1,342,426,752	1,429	82,591,070	221,978,424	60.4	222,140,538	60.2	15.5	10.7
\$1 under \$100,000	84,631,319	1,472,034,020	1,498	84,650,879	253,100,997	68.9	253,417,701	68.6	15.7	11.3
\$1 under \$200,000	86,138,523	1,625,879,563	1,593	86,157,218	296,180,891	80.6	296,833,127	80.4	16.3	12.1
\$1 under \$500,000	86,566,158	1,726,500,035	1,635	86,584,671	328,729,697	89.4	329,811,369	89.3	16.3	12.3
\$1 under \$1,000,000	86,641,032	1,769,296,164	1,641	86,659,532	343,300,007	93.4	344,556,517	93.3	16.5	12.3
\$1 or more	86,675,726	1,841,389,696	1,641	86,694,222	367,527,068	100.0	369,046,178	100.0	20.1	13.7
All returns	86,675,726	1,841,389,696	100.0	86,694,480	367,527,687	100.0	369,202,757	100.0	20.1	13.7

Footnotes at end of table

Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued

All figures are estimates based on samples—Money amounts are in thousands of dollars.

Size and accumulated size of adjusted gross income	All returns					Taxable returns				
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit		
			Amount	Percent of total	Average dollars			Amount	Percent of total	Average dollars
Cumulative from Largest Size of Adjusted Gross Income	1	2	3	4	5	6	7	8	9	
\$1,000,000 or more	1,794	0.3	28,724.67	9.1	1,600,000	1,794	0.3	28,724.67	9.1	1,600,000
\$500,000 or more	11,248	1.7	1,268,728.47	6.9	112,480	11,248	1.7	1,268,728.47	6.9	112,480
\$200,000 or more	28,989	4.4	3,074,914.14	5.9	289,890	28,989	4.4	3,074,914.14	5.9	289,890
\$100,000 or more	112,480	17.1	12,687,284.70	23.4	1,124,800	112,480	17.1	12,687,284.70	23.4	1,124,800
\$75,000 or more	179,400	27.3	19,724,670.00	36.4	1,794,000	179,400	27.3	19,724,670.00	36.4	1,794,000
\$50,000 or more	312,480	47.4	34,724,670.00	63.8	3,124,800	312,480	47.4	34,724,670.00	63.8	3,124,800
\$40,000 or more	412,480	62.4	44,724,670.00	82.3	4,124,800	412,480	62.4	44,724,670.00	82.3	4,124,800
\$30,000 or more	512,480	77.4	54,724,670.00	100.0	5,124,800	512,480	77.4	54,724,670.00	100.0	5,124,800
\$25,000 or more	612,480	92.4	64,724,670.00	118.9	6,124,800	612,480	92.4	64,724,670.00	118.9	6,124,800
\$20,000 or more	712,480	107.4	74,724,670.00	137.8	7,124,800	712,480	107.4	74,724,670.00	137.8	7,124,800
\$15,000 or more	812,480	122.4	84,724,670.00	156.7	8,124,800	812,480	122.4	84,724,670.00	156.7	8,124,800
\$10,000 or more	912,480	137.4	94,724,670.00	175.6	9,124,800	912,480	137.4	94,724,670.00	175.6	9,124,800
\$5,000 or more	1,012,480	152.4	104,724,670.00	194.5	10,124,800	1,012,480	152.4	104,724,670.00	194.5	10,124,800
\$4,000 or more	1,112,480	167.4	114,724,670.00	213.4	11,124,800	1,112,480	167.4	114,724,670.00	213.4	11,124,800
\$3,000 or more	1,212,480	182.4	124,724,670.00	232.3	12,124,800	1,212,480	182.4	124,724,670.00	232.3	12,124,800
\$2,000 or more	1,312,480	197.4	134,724,670.00	251.2	13,124,800	1,312,480	197.4	134,724,670.00	251.2	13,124,800
\$1,000 or more	1,412,480	212.4	144,724,670.00	270.1	14,124,800	1,412,480	212.4	144,724,670.00	270.1	14,124,800
\$500 or more	1,512,480	227.4	154,724,670.00	289.0	15,124,800	1,512,480	227.4	154,724,670.00	289.0	15,124,800
\$200 or more	1,612,480	242.4	164,724,670.00	307.9	16,124,800	1,612,480	242.4	164,724,670.00	307.9	16,124,800
\$100 or more	1,712,480	257.4	174,724,670.00	326.8	17,124,800	1,712,480	257.4	174,724,670.00	326.8	17,124,800
\$50 or more	1,812,480	272.4	184,724,670.00	345.7	18,124,800	1,812,480	272.4	184,724,670.00	345.7	18,124,800
\$25 or more	1,912,480	287.4	194,724,670.00	364.6	19,124,800	1,912,480	287.4	194,724,670.00	364.6	19,124,800
\$10 or more	2,012,480	302.4	204,724,670.00	383.5	20,124,800	2,012,480	302.4	204,724,670.00	383.5	20,124,800
\$5 or more	2,112,480	317.4	214,724,670.00	402.4	21,124,800	2,112,480	317.4	214,724,670.00	402.4	21,124,800
All returns	10,000,000	100.0	2,000,000,000.00	383.5	200,000,000	10,000,000	100.0	2,000,000,000.00	383.5	200,000,000

Taxable returns—Continued

Size and accumulated size of adjusted gross income	Taxable income			Income less other credits			Total income less			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of total	Adjusted gross income less deficit	Average income less deficit
Cumulative from Largest Size of Adjusted Gross Income	10	11	12	13	14	15	16	17	18	19
\$1,000,000 or more	1,794	21,124,670.00	0.3	24,690	24,690.00	0.3	24,690.00	0.3	24,690.00	1,600,000
\$500,000 or more	11,248	124,690.00	1.7	124,690	124,690.00	1.7	124,690.00	1.7	124,690.00	112,480
\$200,000 or more	28,989	307,491.41	4.4	307,491	307,491.41	4.4	307,491.41	4.4	307,491.41	289,890
\$100,000 or more	112,480	1,268,728.47	17.1	1,268,728	1,268,728.47	17.1	1,268,728.47	17.1	1,268,728.47	1,124,800
\$75,000 or more	179,400	19,724,670.00	27.3	1,972,467	19,724,670.00	27.3	1,972,467.00	27.3	1,972,467.00	1,794,000
\$50,000 or more	312,480	34,724,670.00	47.4	3,472,467	34,724,670.00	47.4	3,472,467.00	47.4	3,472,467.00	3,124,800
\$40,000 or more	412,480	44,724,670.00	62.4	4,472,467	44,724,670.00	62.4	4,472,467.00	62.4	4,472,467.00	4,124,800
\$30,000 or more	512,480	54,724,670.00	77.4	5,472,467	54,724,670.00	77.4	5,472,467.00	77.4	5,472,467.00	5,124,800
\$25,000 or more	612,480	64,724,670.00	92.4	6,472,467	64,724,670.00	92.4	6,472,467.00	92.4	6,472,467.00	6,124,800
\$20,000 or more	712,480	74,724,670.00	107.4	7,472,467	74,724,670.00	107.4	7,472,467.00	107.4	7,472,467.00	7,124,800
\$15,000 or more	812,480	84,724,670.00	122.4	8,472,467	84,724,670.00	122.4	8,472,467.00	122.4	8,472,467.00	8,124,800
\$10,000 or more	912,480	94,724,670.00	137.4	9,472,467	94,724,670.00	137.4	9,472,467.00	137.4	9,472,467.00	9,124,800
\$5,000 or more	1,012,480	104,724,670.00	152.4	10,472,467	104,724,670.00	152.4	10,472,467.00	152.4	10,472,467.00	10,124,800
\$4,000 or more	1,112,480	114,724,670.00	167.4	11,472,467	114,724,670.00	167.4	11,472,467.00	167.4	11,472,467.00	11,124,800
\$3,000 or more	1,212,480	124,724,670.00	182.4	12,472,467	124,724,670.00	182.4	12,472,467.00	182.4	12,472,467.00	12,124,800
\$2,000 or more	1,312,480	134,724,670.00	197.4	13,472,467	134,724,670.00	197.4	13,472,467.00	197.4	13,472,467.00	13,124,800
\$1,000 or more	1,412,480	144,724,670.00	212.4	14,472,467	144,724,670.00	212.4	14,472,467.00	212.4	14,472,467.00	14,124,800
\$500 or more	1,512,480	154,724,670.00	227.4	15,472,467	154,724,670.00	227.4	15,472,467.00	227.4	15,472,467.00	15,124,800
\$200 or more	1,612,480	164,724,670.00	242.4	16,472,467	164,724,670.00	242.4	16,472,467.00	242.4	16,472,467.00	16,124,800
\$100 or more	1,712,480	174,724,670.00	257.4	17,472,467	174,724,670.00	257.4	17,472,467.00	257.4	17,472,467.00	17,124,800
\$50 or more	1,812,480	184,724,670.00	272.4	18,472,467	184,724,670.00	272.4	18,472,467.00	272.4	18,472,467.00	18,124,800
\$25 or more	1,912,480	194,724,670.00	287.4	19,472,467	194,724,670.00	287.4	19,472,467.00	287.4	19,472,467.00	19,124,800
\$10 or more	2,012,480	204,724,670.00	302.4	20,472,467	204,724,670.00	302.4	20,472,467.00	302.4	20,472,467.00	20,124,800
\$5 or more	2,112,480	214,724,670.00	317.4	21,472,467	214,724,670.00	317.4	21,472,467.00	317.4	21,472,467.00	21,124,800
All returns	10,000,000	2,000,000,000.00	100.0	2,000,000,000.00	2,000,000,000.00	100.0	2,000,000,000.00	100.0	2,000,000,000.00	200,000,000

Percent based on positive income only.

Less than .05 percent.

Percent not computed.

NOTE: Data may not add to 100 percent because of rounding.

Individual Returns/1987

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status

(All figures are estimates based on samples; money amounts are in thousands of dollars)

Size of adjusted gross income	All returns										Taxable income		Income tax after credits		Total income tax	
	Number of returns	Adjusted gross income less deficit	Exemption amount	Total itemized deductions		Standard deduction		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
				Number of returns	Amount	Number of returns	Amount									
All returns, total	106,996,270	2,773,024,190	400,773,173	35,627,790	392,020,128	69,099,180	212,060,815	90,079,102	1,850,587,119	86,694,480	367,527,687	86,723,796	369,202,757			
No adjusted gross income	841,589	-39,903,033	4,140,297	20,417	155,443	2,751,150	3,996,833	774,760	175,460	281	619	3,388	126,574			
\$1 under \$1,000	2,149,870	1,742,974	4,410,351	47,896	306,545	3,585,051	6,769,616	1,081,457	593,619	1,006,400	234,677	544,768	21,000			
\$1,000 under \$5,000	3,687,406	5,540,575	4,410,351	47,896	306,545	3,585,051	6,769,616	1,081,457	593,619	1,006,400	234,677	544,768	21,000			
\$5,000 under \$10,000	3,736,416	9,463,997	5,760,677	49,670	489,019	4,371,257	8,831,811	1,350,114	856,114	1,276,414	199,167	1,006,400	54,474			
\$10,000 under \$15,000	3,454,431	11,110,067	5,760,677	67,770	489,019	4,371,257	8,831,811	1,350,114	856,114	1,276,414	199,167	1,006,400	54,474			
\$15,000 under \$20,000	4,317,849	15,007,069	7,167,911	74,636	425,407	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$20,000 under \$25,000	4,308,589	10,190,848	7,967,206	101,812	710,959	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$25,000 under \$30,000	4,175,543	20,343,043	8,586,413	167,017	1,426,917	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$30,000 under \$35,000	4,304,019	20,010,400	9,130,440	175,796	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$35,000 under \$40,000	4,095,415	20,560,799	9,130,440	197,415	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$40,000 under \$45,000	3,942,075	20,208,095	9,130,440	212,252	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$45,000 under \$50,000	2,954,767	40,708,978	9,130,440	274,351	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$50,000 under \$55,000	2,809,999	42,408,167	9,130,440	290,616	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$55,000 under \$60,000	2,743,014	43,644,666	9,130,440	306,514	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$60,000 under \$65,000	2,559,363	47,114,586	9,130,440	320,440	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$65,000 under \$70,000	2,499,404	48,713,555	9,130,440	330,799	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$70,000 under \$75,000	2,301,099	47,967,027	9,130,440	407,249	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$75,000 under \$80,000	2,290,106	40,095,416	9,130,440	437,677	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$80,000 under \$85,000	2,195,515	40,002,895	9,130,440	479,243	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$85,000 under \$90,000	2,127,480	41,361,029	9,130,440	547,087	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$90,000 under \$95,000	9,055,809	201,090,616	17,045,675	2,907,779	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$95,000 under \$100,000	7,494,627	205,560,531	17,045,675	4,407,096	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$100,000 under \$105,000	11,604,644	302,500,610	29,257,913	7,101,645	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$105,000 under \$110,000	7,067,901	350,469,740	43,079,995	6,099,080	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$110,000 under \$115,000	6,110,447	404,024,017	46,077,614	7,389,907	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$115,000 under \$120,000	2,968,641	175,458,095	11,891,837	1,900,548	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$120,000 under \$250,000	1,511,154	200,973,127	6,575,905	1,444,180	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$250,000 under \$500,000	4,901,671	1,540,634,291	2,440,674	4,300,880	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$500,000 under \$1,000,000	75,352	30,880,242	4,300,880	74,946	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
\$1,000,000 under \$1,000,000	16,944	65,742,867	1,199,244	16,944	1,199,244	4,180,336	9,434,805	1,484,736	1,006,400	1,668,516	251,515	1,006,400	191,169			
Taxable returns, total	86,723,796	2,700,770,243	334,527,621	33,913,680	309,919,197	51,024,838	160,821,222	86,876,726	1,841,399,696	86,694,480	367,527,687	86,723,796	369,202,757			
No adjusted gross income	8,488	1,199,034	44,347	22	1,505	740,531	402,152	54,474	154,810	281	619	3,388	126,574			
\$1 under \$1,000	744,768	582,649	3,438	22	1,505	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$1,000 under \$5,000	1,006,400	1,491,248	17,271	47,896	306,545	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$5,000 under \$10,000	1,276,414	3,154,075	14,708	59,670	306,545	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$10,000 under \$15,000	1,006,400	4,569,086	6,000	59,670	306,545	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$15,000 under \$20,000	1,006,400	7,638,086	1,590,238	74,636	306,545	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$20,000 under \$25,000	2,079,410	11,441,752	2,702,129	101,812	710,959	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$25,000 under \$30,000	2,008,103	13,014,775	3,197,002	167,017	1,426,917	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$30,000 under \$35,000	2,008,103	15,625,210	3,197,002	175,796	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$35,000 under \$40,000	2,051,854	17,462,542	4,025,701	197,415	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$40,000 under \$45,000	2,013,104	19,077,629	4,025,701	197,415	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$45,000 under \$50,000	2,013,104	25,946,096	5,243,707	167,017	1,426,917	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$50,000 under \$55,000	2,106,093	25,468,096	5,243,707	167,017	1,426,917	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$55,000 under \$60,000	2,143,404	25,468,096	5,243,707	167,017	1,426,917	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$60,000 under \$65,000	2,424,000	110,717,115	7,088,580	268,125	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$65,000 under \$70,000	2,406,517	14,133,494	7,088,580	268,125	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$70,000 under \$75,000	2,406,517	17,248,780	8,543,741	461,252	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$75,000 under \$80,000	2,406,517	17,248,780	8,543,741	461,252	1,199,244	1,006,400	1,006,400	1,006,400	489,019	1,006,400	234,677	544,768	21,000			
\$80,000 under \$85,000	2,406,517	17,248,780	8,543,741	461,252	1,199,244	1,0										

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives										Total income tax			
	Number of returns	Adjusted gross income less exclusions	Exemption amount	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Number of returns	Amount	
	(14)	(15)	(16)	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	(25)	(26)	
All returns, total	47,742,215	1,909,828,493	282,474,886	25,265,390	305,545,511	21,646,481	93,627,433	42,414,706	1,283,250,208	41,389,571	263,346,144	41,410,472	264,625,833	
No adjusted gross income	455,089	- 29,799,492	2,412,164	-	-	-	-	-	-	252	307	6,385	118,424	
\$1 under \$1,000	136,120	75,105	741,300	8,328	92,885	116,784	512,702	-	-	-	-	-	-	
\$1 under \$1,000	157,429	237,475	830,404	20,966	221,506	128,728	574,957	-	-	-	-	-	-	
\$2,000 under \$3,000	265,631	1,482,052	1,184,932	12,763	1,482,052	240,131	1,073,526	-	-	-	-	-	-	
\$3,000 under \$4,000	302,025	1,068,779	1,547,617	20,402	1,837,717	272,476	1,237,894	-	-	-	-	-	-	
\$4,000 under \$5,000	367,264	1,751,401	2,084,005	27,250	2,234,429	344,067	1,516,993	-	-	-	-	-	-	
\$5,000 under \$6,000	482,874	2,668,998	2,541,308	19,830	189,764	451,218	2,070,548	-	-	-	-	-	-	
\$6,000 under \$7,000	560,533	3,637,992	3,006,368	51,027	518,336	494,936	2,228,151	-	-	-	-	-	-	
\$7,000 under \$8,000	665,961	5,004,052	3,453,960	53,960	3,453,960	598,787	2,732,891	-	-	-	-	-	-	
\$8,000 under \$9,000	721,003	6,155,306	3,853,140	49,981	434,184	656,461	3,044,478	-	-	-	-	-	-	
\$9,000 under \$10,000	713,380	6,778,200	3,786,266	70,813	637,034	629,783	2,909,077	-	-	-	-	-	-	
\$10,000 under \$11,000	882,126	9,262,998	4,746,993	86,853	651,854	782,005	3,580,831	-	-	-	-	-	-	
\$11,000 under \$12,000	754,123	8,702,388	4,101,907	102,616	794,813	636,952	2,952,984	-	-	-	-	-	-	
\$12,000 under \$13,000	867,792	10,605,226	4,506,255	116,114	916,233	715,300	3,283,862	-	-	-	-	-	-	
\$13,000 under \$14,000	863,796	11,661,008	4,807,553	137,511	1,078,503	715,126	3,204,868	-	-	-	-	-	-	
\$14,000 under \$15,000	878,038	12,717,295	4,823,706	164,242	1,254,646	714,723	3,178,475	-	-	-	-	-	-	
\$15,000 under \$16,000	884,087	13,690,113	5,099,542	144,291	1,134,847	723,369	3,175,601	-	-	-	-	-	-	
\$16,000 under \$17,000	816,620	13,461,928	4,573,226	158,753	1,179,293	641,016	2,837,283	-	-	-	-	-	-	
\$17,000 under \$18,000	862,641	15,104,718	4,849,668	171,823	1,412,180	668,079	2,919,640	-	-	-	-	-	-	
\$18,000 under \$19,000	850,887	15,736,737	5,080,956	204,475	1,520,756	631,860	2,741,787	-	-	-	-	-	-	
\$19,000 under \$20,000	881,551	17,190,599	5,131,121	225,493	1,765,161	645,142	2,750,306	-	-	-	-	-	-	
\$20,000 under \$25,000	4,326,550	97,426,839	25,582,078	1,369,192	10,333,264	2,927,578	12,265,537	-	-	-	-	-	-	
\$25,000 under \$30,000	4,376,989	120,238,662	26,348,196	1,883,190	14,092,228	2,466,264	10,053,023	-	-	-	-	-	-	
\$30,000 under \$40,000	8,239,208	287,646,104	50,716,697	5,044,170	40,752,022	3,165,363	12,840,019	-	-	-	-	-	-	
\$40,000 under \$50,000	6,565,764	293,021,697	40,266,581	5,160,739	48,486,616	1,390,021	5,669,682	-	-	-	-	-	-	
\$50,000 under \$75,000	7,227,099	431,827,367	43,844,001	6,799,942	77,443,847	743,983	3,290,316	-	-	-	-	-	-	
\$75,000 under \$100,000	1,852,297	157,438,517	11,279,619	1,758,277	30,381,483	93,872	459,705	-	-	-	-	-	-	
\$100,000 under \$200,000	1,322,659	175,454,760	8,110,731	1,267,249	33,498,731	54,722	282,003	-	-	-	-	-	-	
\$200,000 under \$500,000	368,841	106,382,438	2,298,509	362,256	18,006,248	6,580	34,273	-	-	-	-	-	-	
\$500,000 under \$1,000,000	64,624	43,675,553	393,396	63,647	6,711,792	5,032	64,237	-	-	-	-	-	-	
\$1,000,000 or more	29,212	70,340,959	175,969	28,997	11,080,606	208	987	-	-	-	-	-	-	
Taxable returns, total	41,410,472	1,883,276,332	243,619,029	24,305,806	292,246,457	16,839,384	72,348,931	41,372,719	1,279,632,193	41,389,571	263,346,144	41,410,472	264,625,833	
No adjusted gross income	6,385	- 2,565,092	40,627	-	-	-	-	-	-	252	307	6,385	118,424	
\$1 under \$1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1,000 under \$2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$2,000 under \$3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$3,000 under \$4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$4,000 under \$5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$5,000 under \$6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$6,000 under \$7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$7,000 under \$8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$8,000 under \$9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$9,000 under \$10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$10,000 under \$11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$11,000 under \$12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$12,000 under \$13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$13,000 under \$14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$14,000 under \$15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$15,000 under \$16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$16,000 under \$17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$17,000 under \$18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$18,000 under \$19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$19,000 under \$20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$20,000 under \$25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$25,000 under \$30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$30,000 under \$40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$40,000 under \$50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$50,000 under \$75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$75,000 under \$100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$100,000 under \$200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$200,000 under \$500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$500,000 under \$1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1,000,000 or more	-	-	-	-	-	-	-	-	-	-	-	-	-	
Nontaxable returns, total	6,331,743	26,552,162	38,855,858	959,584	13,299,055	4,807,097	21,278,502	1,041,987	3,618,015	-	-	-	-	
No adjusted gross income	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1 under \$1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1,000 under \$2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$2,000 under \$3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$3,000 under \$4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$4,000 under \$5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$5,000 under \$6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$6,000 under \$7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$7,000 under \$8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$8,000 under \$9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$9,000 under \$10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$10,000 under \$11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$11,000 under \$12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$12,000 under \$13,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$13,000 under \$14,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$14,000 under \$15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$15,000 under \$16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$16,000 under \$17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$17,000 under \$18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$18,000 under \$19,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$19,000 under \$20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$20,000 under \$25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$25,000 under \$30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$30,000 under \$40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$40,000 under \$50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$50,000 under \$75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$75,000 under \$100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$100,000 under \$200,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$200,000 under \$500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$500,000 under \$1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	
\$1,000,000 or more	-	-	-	-	-	-	-	-	-	-	-	-	-	

Footnotes at end of table

Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items, by Size of Adjusted Gross Income and by Marital Status
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of married people filing separately, heads of households, and surviving spouses										Total income tax	
	Total itemized deductions		Standard deduction		Taxable income		Income tax after credits		Number of returns		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
All returns, total	11,855,357	202,001,869	3,147,081	23,721,662	8,358,309	21,236,744	9,112,018	117,040,412	7,163,144	18,967,518	7,166,222	19,093,580
No adjusted gross income	48,352	—	—	—	166,551	—	—	—	—	—	304	9,477
\$1 under \$1,000	184,752	2,659,236	5,466	24,264	306,896	407,474	1,818	11,691	1,823	2,073	—	—
\$1,000 under \$2,000	332,374	120,732	5,466	20,565	368,888	758,807	5,466	3,545	30,924	2,073	—	—
\$2,000 under \$3,000	400,078	1,008,425	17,283	89,782	336,438	895,343	26,314	17,484	—	—	—	—
\$3,000 under \$4,000	361,920	1,259,506	12,749	61,149	336,438	835,849	30,929	26,314	—	—	—	—
\$4,000 under \$5,000	459,655	2,078,305	15,463	55,752	426,012	1,056,685	75,913	85,531	—	—	—	—
\$5,000 under \$6,000	455,107	2,508,050	13,667	79,223	428,272	1,101,073	58,642	93,676	51,363	5,020	51,364	5,456
\$6,000 under \$7,000	505,870	3,291,547	12,732	45,436	475,036	1,215,414	53,600	253,769	32,748	6,295	32,748	6,295
\$7,000 under \$8,000	512,290	3,836,383	31,633	114,219	456,436	1,591,610	339,542	627,099	14,023	25,048	54,556	14,023
\$8,000 under \$9,000	497,371	4,226,410	32,750	168,502	452,824	1,191,948	399,167	864,001	69,112	25,048	69,112	25,048
\$9,000 under \$10,000	519,315	4,937,597	36,039	168,156	427,362	1,209,243	454,625	1,337,431	95,025	37,290	95,025	37,290
\$10,000 under \$11,000	485,634	5,092,820	2,272,332	181,818	434,135	1,096,815	454,663	1,618,057	163,206	43,318	117,309	43,318
\$11,000 under \$12,000	475,560	5,461,681	41,844	170,027	414,844	1,044,723	457,373	2,155,165	260,968	60,035	260,968	60,035
\$12,000 under \$13,000	457,344	5,712,462	2,041,393	371,702	393,228	1,007,347	442,796	2,426,813	324,599	128,507	324,599	128,507
\$13,000 under \$14,000	456,378	6,146,747	2,056,528	350,990	369,164	933,436	443,645	2,845,705	383,198	179,630	383,198	179,630
\$14,000 under \$15,000	453,775	6,587,063	1,991,239	426,293	354,662	887,345	446,498	3,303,919	408,304	249,181	408,304	249,181
\$15,000 under \$16,000	423,698	6,552,768	1,868,849	478,541	311,431	787,734	420,975	3,440,025	408,246	330,498	408,246	330,498
\$16,000 under \$17,000	334,890	5,524,759	87,478	493,843	245,116	612,825	328,388	2,568,079	394,166	394,166	394,166	394,166
\$17,000 under \$18,000	381,456	6,670,267	98,248	562,619	277,753	711,060	376,002	3,582,264	315,659	365,079	315,659	365,079
\$18,000 under \$19,000	350,472	6,477,712	1,530,569	116,417	632,224	577,823	348,654	3,746,976	370,548	430,805	370,548	430,805
\$19,000 under \$20,000	303,663	5,914,175	1,377,531	99,535	494,829	488,306	303,659	3,556,079	342,767	476,816	342,767	476,816
\$20,000 under \$25,000	1,218,581	27,176,420	55,121	3,289,666	648,778	1,652,700	1,212,362	16,961,947	201,677	457,243	201,677	457,243
\$25,000 under \$30,000	814,973	22,339,828	3,522,399	456,630	343,606	875,724	814,971	15,175,680	1,204,429	2,324,804	1,204,429	2,324,804
\$30,000 under \$40,000	814,101	27,790,804	3,482,432	607,863	448,941	1,970,352	812,702	18,393,843	811,822	1,811,955	811,822	1,811,955
\$40,000 under \$50,000	310,029	13,709,922	1,306,577	270,206	399,583	1,229,986	309,560	9,617,627	811,343	1,191,910	811,343	1,191,910
\$50,000 under \$75,000	202,301	11,940,514	833,341	182,296	202,005	671,173	201,677	8,851,356	309,599	1,817,445	309,599	1,817,445
\$75,000 under \$100,000	45,483	3,874,335	179,882	43,094	202,906	5,491	44,934	2,876,703	200,452	2,001,452	200,452	2,001,452
\$100,000 under \$200,000	34,360	4,651,426	144,050	33,008	935,434	3,396	34,183	2,867,120	45,453	764,162	45,453	764,162
\$200,000 under \$500,000	11,954	3,574,803	48,646	11,708	668,890	612	11,880	2,867,144	34,303	1,091,281	34,303	1,091,281
\$500,000 under \$1,000,000	2,177	1,267,300	8,762	2,170	239,338	10	2,138	1,229,396	11,914	959,295	11,914	959,295
\$1,000,000 or more	1,444	4,223,867	5,544	1,421	709,681	36	1,424	3,516,650	1,439	1,166,694	1,439	1,166,694
Taxable returns, total	7,166,222	173,324,619	29,487,078	2,862,663	4,126,486	10,376,270	7,164,178	112,151,260	7,163,144	18,967,518	7,166,222	19,093,580
No adjusted gross income	304	—	872	—	—	—	—	—	—	—	304	9,477
\$1 under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—	—	—	—
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$9,000	—	—	—	—	—	—	—	—	—	—	—	—
\$9,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$11,000	—	—	—	—	—	—	—	—	—	—	—	—
\$11,000 under \$12,000	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$13,000	—	—	—	—	—	—	—	—	—	—	—	—
\$13,000 under \$14,000	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$16,000	—	—	—	—	—	—	—	—	—	—	—	—
\$16,000 under \$17,000	—	—	—	—	—	—	—	—	—	—	—	—
\$17,000 under \$18,000	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$19,000	—	—	—	—	—	—	—	—	—	—	—	—
\$19,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more	—	—	—	—	—	—	—	—	—	—	—	—
Nontaxable returns, total	4,689,135	28,677,249	22,183,596	1,942,714	4,231,823	10,860,473	1,947,840	4,889,152	—	—	—	—

(All figures are estimates based on samples—money amounts are in thousands of dollars)

- Estimate should be used with caution because of the small number of sample returns on which it is based
- Data combined to avoid disclosure of information for smaller taxpayers

Table 1.3—All Returns: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns			Joint returns of husbands and wives			Separate returns of husbands and wives			Returns of heads of households			Returns of surviving spouses			Returns of single persons		
	Number of returns	Amount	(1)	Number of returns	Amount	(2)	Number of returns	Amount	(3)	Number of returns	Amount	(4)	Number of returns	Amount	(5)	Number of returns	Amount	(6)
Adjusted gross income less deficit	106,996,270	2,773,824,198		47,742,215	1,909,828,493		1,589,148	29,093,384		10,210,522	171,670,103		55,687	1,238,382		47,398,698	661,993,836	
Salaries and wages	90,984,304	2,163,905,509		41,031,830	1,486,207,919		1,409,232	24,064,817		9,699,202	151,629,775		35,327	577,407		38,808,713	501,425,591	
Taxable interest received	67,933,810	168,986,067		36,855,044	104,794,149		645,856	1,567,594		3,743,763	4,639,013		44,775	275,556		26,640,372	57,688,755	
Tax-exempt interest	3,227,140	30,469,060		2,074,173	20,194,548		322,095	3,222,095		109,689	642,337		1,846	7,808		1,011,027	9,302,273	
Dividends	22,324,321	66,791,158		13,639,431	41,009,668		202,536	895,938		939,954	2,048,839		20,442	83,129		7,521,955	22,753,585	
State income tax refunds	23,225,074	11,374,794		16,701,015	8,700,740		264,417	119,993		1,677,832	605,713		14,823	9,505		4,566,987	1,938,844	
Alimony received	481,329	3,210,103		69,696	169,285		10,481	62,400		203,523	1,645,328		—	—		197,629	1,333,090	
Business or profession	9,884,338	123,782,540		7,088,235	97,846,701		135,767	1,381,685		454,424	4,510,580		2,541	23,482		2,203,371	20,020,091	
Net income	3,117,717	18,321,913		2,285,169	14,026,570		35,107	352,984		1,367,86	587,090		2,528	8,619		658,127	3,346,650	
Sales of capital assets reported on Schedule D	11,696,264	144,172,755		7,312,600	106,412,099		108,846	2,579,124		440,063	3,570,221		12,508	172,866		3,824,247	31,438,446	
Net gain	3,753,877	6,774,029		2,329,718	4,382,665		43,125	44,838		154,175	267,716		8,088	14,281		1,218,771	2,064,669	
Sales of property other than capital assets	1,776,393	650,378		1,352,047	469,741		17,570	—34,019		50,604	—36,360		2,173	2,302		353,999	248,713	
Pensions and annuities in AGI	16,497,586	124,754,833		10,683,539	89,901,823		131,122	809,542		733,122	3,481,999		23,495	127,606		4,926,308	30,433,862	
Rent and Royalty	4,924,617	26,378,364		3,511,021	20,501,048		51,001	275,130		175,920	693,138		6,755	25,987		1,179,920	4,883,061	
Net income	5,696,461	35,633,121		4,118,026	27,428,908		47,361	324,000		271,228	1,371,108		2,793	12,480		1,257,053	6,496,627	
Net loss	6,151,181	1,931,819		3,644,477	1,030,102		3,216	19,016		18,581	21,638		—	—		228,937	861,063	
Partnership and S Corporation net income less loss	5,574,532	24,314,070		4,028,854	20,704,339		65,660	—292,768		172,096	776,620		3,144	2,027		1,304,778	3,123,852	
Estate or trust net income less loss	795,960	4,323,982		370,977	1,618,622		9,197	211,120		23,709	167,722		60	—617		392,017	2,327,135	
Farm net income less loss	2,420,186	—1,323,464		2,003,407	—672,225		10,893	—162,540		39,362	—113,444		4,699	—3,785		1,820,175	—371,470	
Unemployment compensation in AGI	7,370,742	12,286,674		4,481,230	7,876,369		108,552	165,214		888,631	1,324,776		1,819	4,461		1,890,510	2,919,869	
Social Security benefits in AGI	3,637,211	12,524,112		2,420,785	8,968,054		37,816	2,420,785		69,027	195,124		4,831	11,392		1,104,752	3,250,769	
Foreign earned income exclusion	168,057	605,125		108,349	4,515,449		12,238	364,520		—	—		—	—		—	—	
Other income less loss	17,211,978	16,985,771		4,483,650	—13,588,956		72,523	—1,171,321		378,022	237,143		3,329	—17,501		1,784,454	—2,445,137	
Total statutory adjustments	11,620,127	30,116,329		7,816,453	21,779,957		112,531	409,552		620,479	1,352,713		7,935	15,970		3,062,729	6,568,137	
Employee business expenses	1,419,456	4,065,923		1,051,097	3,057,418		10,442	18,419		66,698	156,259		—	—		291,219	833,828	
Primary IRA payment [†]	6,799,280	10,342,201		4,259,982	6,500,015		70,297	119,408		411,661	580,020		7,932	15,601		2,049,408	3,127,156	
Secondary IRA payments	2,944,294	3,723,521		2,944,294	3,723,521		—	—		—	—		—	—		—	—	
Payments to a Keogh plan	759,083	6,183,441		619,076	5,191,337		—	—		25,330	170,912		—	—		113,042	787,722	
Alimony paid	597,275	4,007,869		283,308	1,945,570		16,592	145,643		52,060	386,106		—	—		245,315	1,530,150	
Total itemized deductions	35,627,790	392,020,128		25,265,390	305,545,511		559,959	4,494,155		2,566,800	18,948,965		20,322	278,543		7,215,319	62,752,954	
Medical and dental expense deduction	5,356,057	17,151,819		3,461,976	8,778,141		84,166	155,378		461,802	670,663		12,279	18,267		1,335,834	7,531,381	
Taxes paid deduction	34,866,323	119,388,068		24,946,263	93,547,507		536,326	1,464,645		2,508,124	5,577,749		20,322	79,249		6,855,288	18,718,918	
Interest paid deduction	33,125,737	179,942,422		24,206,366	145,535,253		475,485	2,019,145		2,453,092	9,536,636		18,426	143,917		5,972,368	22,707,472	
Contributions deduction	32,229,945	49,623,907		23,389,803	39,295,082		438,846	516,743		2,278,858	2,034,987		16,689	22,858		6,105,349	7,754,237	
Casualty or theft loss	219,905	1,386,421		141,728	1,060,232		4,191	17,643		19,287	45,192		1,383	7,522		53,316	255,831	
Moving expense deduction	960,651	3,704,175		702,559	2,976,316		8,540	25,511		35,426	113,135		98	937		214,028	588,277	
Total miscellaneous deductions	9,187,957	20,823,316		6,133,456	14,352,982		135,968	295,089		703,101	970,603		6,064	7,805		2,209,368	5,196,838	
Basic standard deduction	69,099,180	203,070,218		21,646,481	88,169,215		934,738	1,786,380		7,393,157	19,144,185		30,414	118,326		39,094,390	93,852,112	
Additional standard deduction	10,111,806	8,996,598		5,470,925	5,458,218		60,630	36,378		196,541	149,555		3,201	1,921		4,360,509	3,350,527	
Taxable income	90,079,102	1,850,597,119		42,414,706	2,832,250,208		1,335,747	20,803,168		7,735,147	95,555,276		41,124	681,968		38,552,378	450,306,499	
Total tax credits	12,901,020	6,329,438		8,020,236	4,248,923		22,266	76,037		4,241,010	1,625,026		16,065	4,182		601,443	375,269	
Child care credit	8,519,523	3,438,314		6,053,672	2,324,653		—	—		2,365,569	1,073,795		4,598	1,955		95,684	37,912	
Credit for the elderly and disabled	354,308	66,633		104,886	27,096		—	—		9,093	2,539		—	—		240,329	36,998	
Foreign tax credit	559,555	1,099,484		370,203	819,074		14,106	65,474		15,394	38,749		515	276		159,337	175,912	
Earned income credit used to offset income tax before credits	3,708,044	641,867		1,221,710	153,714		—	—		2,475,421	486,253		10,913	1,900		—	—	
Mortgage interest credit	9,599	3,515		5,058	2,225		—	—		7,065	19,482		51	51		4,541	1,290	
General business credit	514,112	1,018,624		410,784	872,542		7,791	9,898		5,810,783	14,370,842		32,553	145,713		38,141,765	116,650	
Income tax after credits	86,694,480	367,527,687		41,389,571	263,346,144		1,319,808	4,450,963		5,810,783	14,370,842		32,553	145,713		38,141,765	116,650	
Alternative minimum tax	139,779	1,674,898		103,512	1,279,562		5,726	65,734		5,306	59,419		14	909		25,221	269,274	
Total income tax	86,723,796	369,202,757		41,410,472	264,625,833		1,322,208	4,516,697		5,811,458	14,430,262		32,556	146,622		38,147,102	85,483,343	
Total tax liability	88,551,492	384,538,143		42,579,318	276,671,232		1,359,993	4,683,251		5,912,959	14,912,806		35,676	150,154		36,663,546	88,120,701	
Total tax payments	97,983,088	41,076,700		44,974,689	287,264,919		1,432,601	4,931,103		9,632,172	21,707,969		48,923	160,881		41,893,703	97,349,827	
Income tax withheld	90,877,273	319,163,468		41,533,092	220,218,838		1,376,951	3,287,339		9,435,012	19,563,848		39,955	88,728		38,502,262	76,007,716	
Estimated tax payments	12,154,648	74,058,280		7,141,980	53,173,985		78,452	356,964		356,967	1,709,560		61,332	4,563,818		4,563,818	18,177,639	
Overpayment refunded	77,608,482	69,627,753		32,734,245	41,428,747		997,617	554,331		930,981	9,819,193		34,636	38,499		34,533,828	17,786,983	
Tax due at time of filing	23,776,240	49,921,337		12,481,884	36,805,480		501,374	794,105		717,150	1,362,778		14,104	29,475		10,061,728	10,929,499	

* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals. NOTE: Detail may not add to total because of rounding.

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income			Salaries and wages			Taxable interest received			Tax-exempt interest			Dividends			State income tax refunds		
	Number of returns	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)					
All returns, total	106,996,270	2,773,824,198	90,984,304	2,163,905,509	67,933,810	168,566,067	3,227,140	30,469,060	22,324,321	66,791,158	23,225,074	11,374,794					
No adjusted gross income	841,509	- 39,903,703	328,499	6,094,101	524,442	3,958,223	34,214	699,499	231,351	900,769	120,869	165,121					
\$1 under \$1,000	2,849,870	1,742,974	1,858,383	1,834,116	1,186,365	522,712	27,283	52,557	280,273	120,476	36,780	3,577					
\$1,000 under \$2,000	3,687,486	5,530,575	2,979,037	4,779,971	1,458,318	829,507	11,368	8,976	326,695	207,069	26,291	8,839					
\$2,000 under \$3,000	3,746,316	9,363,997	3,156,145	7,789,192	1,530,313	1,005,500	10,913	60,505	326,834	246,332	50,535	13,074					
\$3,000 under \$4,000	3,353,241	11,718,866	2,783,742	9,422,532	1,457,800	1,308,249	18,193	41,665	289,754	244,432	69,486	15,539					
\$4,000 under \$5,000	3,337,849	15,007,069	2,695,081	11,320,233	1,431,442	1,517,526	18,865	37,598	294,085	297,125	67,403	22,374					
\$5,000 under \$6,000	3,306,589	18,180,848	2,601,799	13,258,775	1,528,654	2,194,894	16,491	32,570	308,550	337,878	82,373	19,656					
\$6,000 under \$7,000	3,115,543	20,233,030	2,392,277	14,726,047	1,441,811	2,425,706	15,451	162,956	341,907	350,905	122,662	24,903					
\$7,000 under \$8,000	3,204,919	24,018,480	2,505,148	17,395,034	1,470,676	2,412,343	21,384	59,353	340,562	340,562	140,100	28,128					
\$8,000 under \$9,000	3,095,315	26,350,209	2,400,843	18,908,791	1,419,044	2,825,723	31,390	154,261	385,866	455,536	142,344	46,210					
\$9,000 under \$10,000	2,975,075	28,208,895	2,374,178	20,626,601	1,362,007	2,615,174	23,646	34,795	368,534	566,903	133,744	28,445					
\$10,000 under \$11,000	2,953,767	30,978,952	2,294,506	22,395,494	1,484,266	3,130,800	31,381	57,034	493,439	617,920	167,920	35,430					
\$11,000 under \$12,000	2,809,395	32,308,167	2,203,767	23,574,709	1,434,288	3,046,457	27,711	174,267	341,096	633,256	178,543	39,495					
\$12,000 under \$13,000	2,770,699	34,643,686	2,238,967	25,739,298	1,476,848	3,264,819	25,125	103,890	348,570	665,441	231,023	56,089					
\$13,000 under \$14,000	2,733,013	36,874,713	2,239,865	28,063,866	1,449,387	3,091,498	44,108	79,079	373,550	813,537	233,775	57,698					
\$14,000 under \$15,000	2,559,563	37,114,586	2,151,106	28,709,121	1,443,891	3,002,885	33,093	123,013	352,236	612,019	234,389	79,468					
\$15,000 under \$16,000	2,499,483	38,713,545	2,120,732	30,770,837	1,376,368	2,843,939	27,461	56,403	303,427	615,431	229,404	53,722					
\$16,000 under \$17,000	2,301,099	37,967,021	1,954,721	29,815,495	1,308,137	2,835,317	35,392	131,683	377,144	762,392	268,498	77,117					
\$17,000 under \$18,000	2,292,106	40,095,118	1,960,359	31,710,470	1,283,057	3,023,671	28,811	123,024	343,833	686,201	284,550	88,817					
\$18,000 under \$19,000	2,195,515	40,602,845	1,886,520	32,669,085	1,320,225	2,826,630	28,957	98,764	336,351	778,951	340,845	98,076					
\$19,000 under \$20,000	2,121,480	41,361,029	1,843,303	33,251,083	1,271,964	2,505,336	45,122	100,416	372,714	730,467	357,132	89,461					
\$20,000 under \$25,000	9,055,809	203,096,623	8,111,079	168,567,217	5,941,248	10,714,009	196,156	1,111,669	1,594,843	3,120,409	1,929,178	560,708					
\$25,000 under \$30,000	7,494,827	205,551,504	6,826,961	173,317,729	5,430,381	9,934,063	202,453	1,338,606	1,609,407	2,979,279	2,259,753	670,811					
\$30,000 under \$40,000	11,604,644	402,500,618	10,712,383	343,052,403	9,401,862	17,316,364	402,395	4,022,985	5,854,486	13,299,941	10,729,941	1,678,707					
\$40,000 under \$50,000	7,862,901	350,409,748	7,309,410	297,559,358	6,924,614	14,268,963	333,687	1,663,078	2,611,791	5,237,368	4,045,251	1,542,993					
\$50,000 under \$75,000	8,110,447	484,023,071	7,514,217	400,465,521	7,564,197	20,809,025	663,799	5,311,848	6,889,947	9,546,787	4,533,861	2,352,032					
\$75,000 under \$100,000	2,064,189	175,453,698	1,852,082	131,916,398	1,998,037	9,408,683	308,615	2,513,555	1,270,456	5,331,348	1,141,503	896,778					
\$100,000 under \$200,000	1,513,654	200,973,127	1,256,584	123,258,529	1,479,326	14,042,186	354,822	4,774,171	1,071,547	8,968,169	799,169	1,071,722					
\$200,000 under \$500,000	429,671	124,073,791	351,982	67,535,740	425,006	9,243,953	154,131	4,339,211	352,892	6,654,428	230,249	726,032					
\$500,000 under \$1,000,000	75,352	50,898,244	61,673	23,517,371	74,987	4,132,838	35,780	2,301,475	66,162	2,899,461	41,137	313,301					
\$1,000,000 or more	34,944	85,732,872	28,955	21,859,952	34,849	7,909,073	18,943	2,760,484	31,720	5,340,302	20,680	510,466					
Taxable returns, total	86,723,796	2,700,778,243	75,409,255	2,078,363,063	60,441,152	153,292,939	3,053,804	28,830,706	20,511,065	63,533,107	22,140,285	10,905,153					
No adjusted gross income	8,388	- 3,199,074	6,065	690,663	8,286	736,012	2,220	95,910	6,182	169,011	2,353	17,534					
\$1 under \$1,000	744,168	552,639	122,361	216,390	636,861	281,743	12,730	20,642	169,541	65,203	3,637	71					
\$1,000 under \$2,000	1,006,300	1,491,204	593,078	765,952	945,861	474,581	5,456	364	241,754	138,382	620	620					
\$2,000 under \$3,000	1,226,315	3,154,079	1,048,186	2,444,231	828,087	425,380	1,818	76	199,929	138,136	371	371					
\$3,000 under \$4,000	1,313,280	4,559,092	1,222,354	3,928,846	722,280	372,332	5,456	2,295	139,926	114,310	10,911	331					
\$4,000 under \$5,000	1,668,518	7,638,086	1,482,877	6,308,950	728,300	503,322	9,523	3,641	146,973	118,428	21,821	12,557					
\$5,000 under \$6,000	2,079,418	11,441,752	1,819,889	9,348,951	916,868	947,284	9,135	5,559	164,073	159,445	20,923	5,784					
\$6,000 under \$7,000	2,008,103	13,034,772	1,603,077	9,937,036	959,936	1,527,837	7,272	127,611	226,607	241,714	55,275	8,265					
\$7,000 under \$8,000	2,084,563	15,622,218	1,678,785	11,768,475	994,460	1,533,350	14,112	52,445	213,541	253,630	74,578	13,135					
\$8,000 under \$9,000	2,051,853	17,463,542	1,648,405	13,123,081	948,421	1,716,073	13,587	77,749	216,726	277,444	59,540	14,341					
\$9,000 under \$10,000	2,013,020	19,077,624	1,637,142	14,442,146	967,845	1,741,517	14,551	31,929	247,254	408,308	63,758	13,515					
\$10,000 under \$11,000	2,185,955	22,946,685	1,636,375	15,861,542	1,238,312	2,737,069	29,562	30,697	263,496	407,728	108,726	21,576					
\$11,000 under \$12,000	2,216,053	25,478,396	1,695,274	18,178,388	1,219,534	2,674,835	24,067	167,475	285,100	557,964	136,782	29,505					
\$12,000 under \$13,000	2,313,483	28,946,913	1,837,814	21,201,552	1,291,944	2,915,813	21,922	89,466	320,454	627,183	185,553	48,300					
\$13,000 under \$14,000	2,450,646	33,071,115	2,016,589	25,152,743	1,345,674	2,906,485	44,107	79,078	342,061	730,192	195,871	44,449					
\$14,000 under \$15,000	2,366,517	34,329,309	1,993,703	26,761,798	1,334,436	2,874,163	28,630	79,948	328,369	574,497	192,561	64,427					
\$15,000 under \$16,000	2,405,227	37,258,788	2,045,027	29,448,812	1,328,295	2,698,388	27,220	56,079	294,728	601,118	213,674	47,860					
\$16,000 under \$17,000	2,225,727	36,727,802	1,891,750	28,733,462	1,267,319	2,749,262	34,922	122,298	365,757	755,041	253,330	68,545					
\$17,000 under \$18,000	2,220,13																

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received			Business or profession			Net loss			Net gain			Net loss			Sales of property other than capital assets		
	Number of returns	Amount	(13)	Net income		Number of returns	Net loss		Net gain		Net loss		Net gain		Net loss		Sales of property other than capital assets	
				(14)	(15)		(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
All returns, total	481,329	3,210,103	9,884,338	123,782,540	3,117,717	18,321,913	11,696,264	144,172,755	3,753,877	6,774,029	982,545	5,274,031	793,848	4,623,652				
No adjusted gross income	3,046	8,934	104,305	1,489,875	340,932	6,091,780	161,878	5,652,360	111,915	253,285	47,695	575,138	72,164	1,874,640				
\$1 under \$1,000	*3,640	*3,276	145,289	159,217	42,917	104,142	119,203	115,755	30,262	32,527	*1,417	*6,795	*10,481	*37,194				
\$1,000 under \$2,000	—	—	146,265	254,003	24,320	80,197	153,149	175,861	32,103	54,934	—	—	—	—				
\$2,000 under \$3,000	*9,095	*545	198,277	393,706	46,259	240,979	338,774	127,257	45,493	78,153	*7,233	*19,151	*8,426	*12,837				
\$3,000 under \$4,000	*9,095	*17,812	215,289	634,644	42,371	152,903	138,085	171,339	48,737	73,473	*4,979	*13,283	*5,454	*47,133				
\$4,000 under \$5,000	*9,092	*28,275	207,052	711,316	38,036	166,832	125,380	171,839	45,884	69,920	*10,116	*26,557	*13,933	*63,484				
\$5,000 under \$6,000	18,194	*71,920	209,321	887,543	45,274	146,092	160,184	331,216	37,769	81,766	*18,292	*14,017	*7,224	*44,886				
\$6,000 under \$7,000	*16,378	*71,040	236,276	1,112,461	55,556	148,479	143,133	211,848	59,763	96,542	18,734	73,768	*4,362	*3,470				
\$7,000 under \$8,000	*7,273	*27,745	233,990	1,170,147	49,987	161,025	137,560	293,715	50,957	71,016	*6,542	*3,997	*14,042	*3,128				
\$8,000 under \$9,000	*14,553	*63,367	239,096	1,347,838	47,465	135,236	178,129	432,189	50,106	103,697	*11,258	*29,033	*5,122	*3,128				
\$9,000 under \$10,000	*10,912	*46,831	231,448	1,413,626	33,695	122,553	174,297	509,784	55,924	93,241	30,192	54,461	*4,939	*300				
\$10,000 under \$11,000	*16,373	*70,664	257,841	1,530,520	45,522	178,431	172,006	368,176	39,422	85,045	*12,747	*10,639	*7,257	*73,253				
\$11,000 under \$12,000	*7,277	*19,130	226,197	1,398,702	32,786	98,700	197,516	415,543	55,865	100,451	16,604	44,853	*12,743	*13,393				
\$12,000 under \$13,000	20,004	95,306	220,998	1,407,441	55,554	225,378	192,573	513,936	66,427	117,727	23,029	26,781	16,861	32,148				
\$13,000 under \$14,000	*14,548	*33,265	185,806	1,339,458	56,440	192,543	200,491	464,887	62,651	87,381	*15,904	*38,158	*39,171	*39,171				
\$14,000 under \$15,000	*14,549	*45,911	220,123	1,612,439	53,276	173,247	170,988	485,145	95,159	167,966	*11,284	*25,251	*2,515	*6,974				
\$15,000 under \$16,000	23,645	117,771	179,211	1,138,405	50,570	251,910	134,819	426,594	51,784	61,991	*11,384	*48,242	10,219	43,667				
\$16,000 under \$17,000	*10,910	*24,235	162,088	1,176,201	40,592	134,682	179,119	451,584	66,393	110,396	*9,136	*29,697	*9,098	*46,347				
\$17,000 under \$18,000	*12,732	*77,800	180,337	1,393,170	51,658	210,556	163,668	526,603	99,389	81,145	*6,812	*1,819	*25,414	*25,414				
\$18,000 under \$19,000	*14,553	*48,572	175,159	1,415,007	58,690	163,688	165,074	423,241	57,666	115,448	*14,392	*56,467	*11,414	*42,959				
\$19,000 under \$20,000	18,188	64,332	144,417	1,251,559	59,653	231,997	158,625	547,845	95,012	111,512	*11,512	*46,361	*7,269	*65,882				
\$20,000 under \$25,000	56,015	330,672	882,037	8,135,239	258,728	806,111	861,273	2,443,732	263,412	521,814	63,735	165,685	61,398	194,868				
\$25,000 under \$30,000	51,082	302,759	798,341	7,422,010	249,903	904,202	770,313	2,771,835	247,368	438,446	87,376	362,074	45,751	110,803				
\$30,000 under \$40,000	53,609	478,309	1,306,901	12,880,803	421,704	1,468,909	1,519,530	5,514,411	513,936	895,808	144,462	434,288	90,497	289,504				
\$40,000 under \$50,000	27,734	299,256	893,622	11,436,614	320,826	1,167,057	1,227,498	5,737,577	399,385	662,973	76,238	361,192	66,325	240,733				
\$50,000 under \$75,000	30,509	385,464	1,082,801	19,795,369	345,520	1,380,210	1,960,623	13,299,329	612,221	1,098,626	137,361	725,418	106,405	393,065				
\$75,000 under \$100,000	8,976	224,804	359,746	10,737,299	102,394	489,577	854,997	9,544,106	250,894	492,527	61,843	376,421	53,524	167,942				
\$100,000 under \$200,000	4,847	97,183	336,076	18,370,556	100,530	1,009,326	805,476	22,851,408	468,370	69,203	69,203	601,058	70,604	294,508				
\$200,000 under \$500,000	1,470	130,869	84,439	7,526,270	34,825	709,459	272,370	22,293,375	77,982	187,032	37,944	252,302	37,814	192,095				
\$500,000 under \$1,000,000	233	4,818	14,719	2,038,745	7,452	373,282	54,391	12,670,879	13,798	35,123	8,129	275,550	9,915	90,088				
\$1,000,000 or more	74	13,773	6,872	2,308,555	4,282	600,428	27,562	34,363,737	5,312	14,263	4,577	283,679	5,774	164,725				
Taxable returns, total	417,387	2,936,954	7,925,954	113,217,722	2,336,464	10,361,520	10,731,628	136,278,263	3,289,864	5,809,269	791,304	4,183,944	623,786	2,096,638				
No adjusted gross income	*6	*379	2,449	140,028	1,692	200,717	5,959	1,547,276	1,094	2,985	1,755	58,303	1,272	61,027				
\$1 under \$1,000	—	*7,288	*2,489	*12,942	—	—	82,261	24,806	*7,274	*3,873	—	—	—	—				
\$1,000 under \$2,000	—	*16,399	*12,942	*14,932	*5,466	*10,128	104,513	81,029	*14,548	*15,847	—	—	—	*29				
\$2,000 under \$3,000	—	*14,577	*14,932	*27,369	*8,223	*644	79,059	88,545	*9,091	*4,744	—	—	—	—				
\$3,000 under \$4,000	—	18,222	66,932	244,430	*7,278	*52,860	73,863	90,577	18,614	24,856	*8,052	*8,532	*3,547	*926				
\$4,000 under \$5,000	*3,636	*12,090	107,502	399,542	*14,576	*25,275	83,534	136,095	*10,917	*19,747	*4,939	*5,285	*5,285	—				
\$5,000 under \$6,000	*9,095	*33,063	107,502	399,542	*14,576	*25,275	83,534	136,095	*10,917	*19,747	*4,939	*5,285	*5,285	—				
\$6,000 under \$7,000	*9,096	*33,213	110,052	495,132	21,853	73,229	89,625	133,050	36,330	55,378	*2,062	*4,632	*905	*3,045				
\$7,000 under \$8,000	*5,455	*19,710	102,015	517,771	20,593	58,364	88,247	165,443	28,561	29,507	*1,822	*1,960	*1,960	*1,353				
\$8,000 under \$9,000	*5,455	*30,005	112,479	613,429	29,152	54,037	105,398	178,197	19,906	31,286	*6,757	*9,113	*1,917	*233				
\$9,000 under \$10,000	*9,093	*32,279	119,814	742,767	*13,659	*76,062	104,851	222,754	31,367	49,971	*10,922	*27,969	*4,936	*251				
\$10,000 under \$11,000	*14,555	*73,337	155,984	951,960	29,572	81,735	151,600	292,269	35,375	76,927	*12,747	*10,639	*3,643	*8,350				
\$11,000 under \$12,000	*5,455	*10,164	150,773	916,537	19,126	63,242	132,753	297,516	48,119	79,111	*6,367	*9,847	*9,099	*13,324				
\$12,000 under \$13,000	18,186	85,125	164,339	1,019,984	37,805	138,585	168,995	378,172	61,894	105,485	*16,770	*20,737	*10,489	*29,707				
\$13,000 under \$14,000	*14,548	*33,265	141,665	906,121	38,223	118,651	186,476	427,674	49,011	62,782	*14,082	*36,837	*10,889	*22,686				
\$14,000 under \$15,000	*12,731	*45,853	171,936	1,202,309	44,626	130,345	149,101	325,830	59,463	89,693	*11,303	*30,269	*2,275	*6,858				
\$15,000 under \$16,000	23,645	117,771	164,406	1,050,173	45,069	185,633	125,336	323,809	49,063	57,880	*9,095	*25,467	*5,864	*8,126				
\$16,000 under \$17,000	*9,092	*21,326	143,450	986,356	37,338	73,434	169,753	357,332	64,076	105,951	*8,089	*21,9,						

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Pensions and annuities										Rent										Royalty	
	Total		In adjusted gross income		Not included in AGI		Net income		Net loss (includes nondeductible rent)		Net income											
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount								
All returns, total	17,825,764	171,839,632	16,497,586	124,754,833	4,090,174	47,084,799	3,601,804	18,721,293	5,257,231	34,482,957	978,531	3,792,149										
No adjusted gross income	75,438	1,088,179	59,748	552,598	33,045	535,581	64,464	462,098	156,798	3,922,118	21,883	248,439										
\$1 under \$1,000	47,353	180,477	34,592	61,570	20,503	118,907	12,432	10,069	13,343	10,069	13,343	10,069										
\$1,000 under \$2,000	63,239	183,095	55,964	86,751	20,002	96,345	13,343	10,069	13,343	10,069	13,343	10,069										
\$2,000 under \$3,000	166,860	419,134	155,950	257,702	32,729	161,432	39,198	50,257	29,181	107,354	11,009	9,823										
\$3,000 under \$4,000	200,018	504,844	190,880	379,120	30,962	125,724	59,509	108,244	56,524	310,376	12,306	16,333										
\$4,000 under \$5,000	305,556	999,070	297,378	834,933	31,819	164,136	54,943	117,770	40,021	102,362	22,094	15,882										
\$5,000 under \$6,000	420,838	1,499,589	406,292	1,245,856	46,766	253,733	84,809	135,768	42,817	234,557	20,008	7,185										
\$6,000 under \$7,000	439,943	1,809,245	428,418	1,528,105	55,142	281,141	80,315	197,962	64,748	310,831	18,324	10,303										
\$7,000 under \$8,000	538,249	2,558,253	526,801	2,192,509	59,158	365,744	72,768	183,792	41,737	317,321	13,214	15,032										
\$8,000 under \$9,000	515,079	2,637,340	502,688	2,385,972	66,478	251,368	90,610	250,459	68,668	247,271	16,131	15,212										
\$9,000 under \$10,000	501,795	2,932,643	487,762	2,428,289	65,380	504,354	77,806	196,629	48,930	280,092	23,638	16,458										
\$10,000 under \$11,000	528,081	3,066,920	522,622	2,842,632	61,836	224,287	84,881	246,432	53,297	220,294	18,183	10,300										
\$11,000 under \$12,000	547,529	3,564,880	532,964	3,210,566	74,064	354,314	96,036	281,141	66,701	193,902	12,255	16,731										
\$12,000 under \$13,000	513,457	3,695,667	497,100	3,104,031	76,391	391,636	83,377	293,864	66,605	274,663	19,092	13,996										
\$13,000 under \$14,000	482,017	4,124,195	471,129	2,974,123	87,161	1,150,071	171,816	269,144	92,915	269,144	24,468	36,913										
\$14,000 under \$15,000	451,088	2,934,273	438,793	2,731,218	58,828	203,056	60,199	116,829	84,754	348,147	11,749	7,629										
\$15,000 under \$16,000	425,291	3,408,896	413,953	3,042,321	48,152	366,575	62,614	171,987	68,270	256,580	20,393	13,849										
\$16,000 under \$17,000	430,794	3,530,121	416,245	3,068,134	64,566	461,987	78,807	157,675	73,045	244,899	18,620	11,450										
\$17,000 under \$18,000	393,109	3,757,928	369,462	2,962,561	75,869	795,367	69,688	203,978	58,556	244,899	13,453	36,367										
\$18,000 under \$19,000	364,925	3,108,117	348,554	2,742,429	51,819	365,689	52,210	108,971	82,773	320,414	13,453	36,367										
\$19,000 under \$20,000	381,479	3,580,474	375,119	3,087,443	63,690	493,031	67,148	192,937	76,253	282,157	13,504	11,539										
\$20,000 under \$25,000	1,471,306	12,573,420	1,383,635	11,117,434	309,087	1,455,987	274,094	743,612	427,876	1,978,323	83,293	162,354										
\$25,000 under \$30,000	1,345,100	12,116,395	1,240,467	9,546,256	310,976	2,570,139	261,940	748,815	398,876	1,769,977	54,500	108,493										
\$30,000 under \$40,000	2,247,566	21,341,890	2,047,225	17,062,893	624,146	4,278,997	432,796	1,431,693	3,601,155	12,831	12,831	219,837										
\$40,000 under \$50,000	1,794,959	20,316,974	1,624,331	14,156,785	499,960	6,160,189	356,057	1,421,667	606,885	3,079,768	185,347	185,347										
\$50,000 under \$75,000	2,061,952	26,729,599	1,787,544	17,390,098	743,880	9,339,501	452,684	2,298,799	958,727	6,013,576	132,850	145,801										
\$75,000 under \$100,000	562,879	10,423,570	457,387	6,034,957	245,740	4,388,614	171,281	1,719,149	351,820	2,730,622	67,195	369,994										
\$100,000 under \$200,000	418,863	10,690,878	324,736	5,206,715	174,173	5,484,163	195,511	2,954,544	339,882	3,628,476	63,162	626,605										
\$200,000 under \$500,000	104,840	5,327,223	80,499	1,736,561	46,171	3,590,663	79,513	2,072,484	113,282	1,847,677	33,280	575,818										
\$500,000 under \$1,000,000	18,183	1,800,000	13,416	456,403	8,128	1,343,597	17,629	914,854	20,088	629,386	7,152	203,123										
\$1,000,000 or more	7,978	936,342	5,932	327,869	3,553	608,473	8,576	825,853	9,768	533,928	4,320	329,247										
Taxable returns, total	15,517,632	160,522,620	14,313,287	116,170,973	3,696,548	44,351,647	2,998,415	16,784,546	4,630,611	28,086,322	827,728	3,286,229										
No adjusted gross income	1,952	83,102	1,552	36,412	1,327	46,690	757	38,185	4,463	426,133	769	27,884										
\$1 under \$1,000	*1,820	*397	*1,819	*276	**	**	*1,819	*1,925	—	—	*1,822	*1,115										
\$1,000 under \$2,000	*1,822	*297	*1,822	*297	—	—	*1,819	*1,925	—	—	*1,822	*1,115										
\$2,000 under \$3,000	*7,272	*17,264	*7,272	*17,264	—	**796	*1,819	*3,376	—	—	*1,818	*38										
\$3,000 under \$4,000	*3,639	*3,069	*3,639	*2,393	**1,819	*52,691	*10,912	*29,506	*5,457	*7,296	*1,822	*177										
\$4,000 under \$5,000	51,340	190,647	51,340	137,956	*3,636	*89,684	*23,643	25,470	*6,846	*52,775	*7,274	*4,280										
\$5,000 under \$6,000	105,036	438,442	101,400	348,758	*9,093	*76,526	39,042	103,050	23,482	65,546	*8,610	*6,892										
\$6,000 under \$7,000	226,813	792,163	223,173	715,637	21,830	76,526	33,086	86,534	26,322	76,320	*7,275	*14,406										
\$7,000 under \$8,000	296,855	1,256,302	296,855	1,196,355	25,891	59,947	33,086	91,136	29,645	79,415	*5,885	*1,208										
\$8,000 under \$9,000	288,556	1,449,115	279,030	1,339,688	32,686	109,427	44,848	91,136	29,645	79,415	*5,885	*1,208										
\$9,000 under \$10,000	294,941	1,499,640	289,483	1,349,197	38,190	150,443	65,310	181,907	19,550	70,416	*16,365	*22,833										
\$10,000 under \$11,000	468,493	2,712,520	466,671	2,548,431	49,104	164,089	65,391	197,376	35,751	131,001	*14,547	*7,482										
\$11,000 under \$12,000	484,890	3,196,628	473,969	2,869,341	63,142	327,287	58,638	125,140	34,548	139,953	*4,501	*4,340										
\$12,000 under \$13,000	464,477	3,359,336	449,938	2,823,425	65,478	335,911	62,149	186,700	52,957	229,005	15,460	9,675										
\$13,000 under \$14,000	462,014	3,986,941	452,484	3,684,119	85,803	1,141,822	63,616	162,203	74,127	208,729	20,825	30,177										
\$14,000 under \$15,000	426,525	2,806,300	414,230	2,603,939	57,005	202,361	46,182	200,847	72,432	280,847	*9,025	*1,211										
\$15,000 under \$16,000	411,947	3,312,677	400,609	2,946,102	48,152	366,575	53,598	131,862	58,727	179,119	19,958	13,504										
\$16,000 under \$17,000	428,972	3,530,090	414,423	3,068,103	64,566	461,987	73,184	146,316	66,973	280,087	*7,751	*40,647										
\$17,000 under \$18,000	379,912	3,634,787	356,265	2,868,877	72,232	765,909	60,041	159,661	57,482	241,268	18,620	11,450										
\$18,000 under \$19,000	359,981	3,090,158	343,610	2,724,470	51,819	365,689	48,345	90,904	30,767	103,310	*35,176	*35,176										
\$19,000 under \$20,000	370,569	3,509,878	364,209	3,027,054	60,963	482,823	61,666	167,173	72,460	229,405	*12,599	*10,894										
\$20,000 under \$25,000	1,448,498	12,445,492	1,362,451	11,034,098	300,157	1,411,394	260,899	693,629	407,119	1,763,158	78,789	141,466										
\$25,000 under \$30,000	1,329,027	11,969,437	1,228,066	9,458,512	302,249	2,510,925	250,781	704,352	386,717	1,608,365	51,741	90,718										
\$30,000 under \$40,000	2,239,321	21,263,006	2,039,956	16,991,714	622,716	4,271,291	424,855	1,398,419	732,637	3,481,333	111,300	212,646										
\$40,000 under \$50,000	1,790,777	20,271,159	1,620,858	14,123,566	498,721	6,147,593	354,815	1,401,809	597,062	2,338,985	93,309	164,444										
\$50,000 under \$75,000	2,060,469	26,611,556	1,787,111	17,368,716	742,731	9,242,831	450,487	2,261,36														

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty—continued			Farm rental			Partnership and S Corporation			Estate or trust		
	Net loss			Net income			Net loss			Net income		
	Number of returns	Amount	(40)	Number of returns	Amount	(41)	Number of returns	Amount	(42)	Number of returns	Amount	(43)
All returns, total	45,330	120,014	485,389	2,469,459	129,792	537,640	2,558,674	72,370,252	3,015,858	48,056,182	679,413	5,048,869
No adjusted gross income	1,782	19,985	6,230	21,077	10,093	75,728	39,667	737,850	174,861	17,377,638	7,230	58,899
\$1 under \$1,000	—	—	—	—	—	—	12,848	46,750	21,780	135,116	7,277	5,200
\$1,000 under \$2,000	—	—	—	—	—	—	18,725	17,583	11,742	163,508	14,550	13,037
\$2,000 under \$3,000	—	—	—	—	—	—	20,936	46,562	30,606	12,610	12,730	13,847
\$3,000 under \$4,000	—	—	—	—	—	—	25,467	57,746	20,793	34,312	11,382	17,892
\$4,000 under \$5,000	—	—	—	—	—	—	19,654	174,608	18,182	98,318	19,481	56,848
\$5,000 under \$6,000	—	—	—	—	—	—	26,926	109,123	15,835	115,855	10,909	26,818
\$6,000 under \$7,000	—	—	—	—	—	—	29,729	124,528	15,648	292,212	10,909	26,818
\$7,000 under \$8,000	—	—	—	—	—	—	32,025	113,397	20,382	131,567	3,735	1,688
\$8,000 under \$9,000	—	—	—	—	—	—	22,518	158,329	30,408	162,272	13,506	33,600
\$9,000 under \$10,000	—	—	—	—	—	—	104,355	25,043	25,043	196,296	9,521	25,039
\$10,000 under \$11,000	—	—	—	—	—	—	26,168	235,861	16,656	222,264	15,478	54,035
\$11,000 under \$12,000	—	—	—	—	—	—	41,117	235,861	16,656	222,264	15,478	54,035
\$12,000 under \$13,000	—	—	—	—	—	—	25,624	108,043	35,624	108,043	13,161	29,132
\$13,000 under \$14,000	—	—	—	—	—	—	35,015	191,734	32,615	179,900	5,449	8,844
\$14,000 under \$15,000	—	—	—	—	—	—	39,956	322,453	32,304	114,553	16,368	58,432
\$15,000 under \$16,000	—	—	—	—	—	—	33,166	179,022	18,164	181,069	13,625	26,164
\$16,000 under \$17,000	—	—	—	—	—	—	25,138	169,007	22,327	132,568	9,812	70,643
\$17,000 under \$18,000	—	—	—	—	—	—	31,848	192,017	37,051	158,898	4,547	7,635
\$18,000 under \$19,000	—	—	—	—	—	—	21,074	74,465	21,074	148,463	7,706	24,032
\$19,000 under \$20,000	—	—	—	—	—	—	25,876	201,306	42,389	215,925	6,230	37,246
\$20,000 under \$25,000	—	—	—	—	—	—	42,642	397,954	26,731	193,833	17,886	107,375
\$25,000 under \$30,000	—	—	—	—	—	—	167,261	1,286,550	178,565	940,772	52,359	246,108
\$30,000 under \$40,000	—	—	—	—	—	—	132,903	1,103,347	156,080	790,828	40,506	210,793
\$40,000 under \$50,000	—	—	—	—	—	—	294,593	2,820,706	315,422	1,632,012	73,594	343,874
\$50,000 under \$75,000	—	—	—	—	—	—	215,952	2,425,777	313,863	1,546,404	54,435	261,425
\$75,000 under \$100,000	—	—	—	—	—	—	414,405	5,930,977	530,594	3,199,323	91,972	522,865
\$100,000 under \$200,000	—	—	—	—	—	—	4,924,436	4,924,436	308,025	2,340,506	40,742	339,330
\$200,000 under \$500,000	—	—	—	—	—	—	312,930	13,734,575	365,639	5,272,524	58,215	803,022
\$500,000 under \$1,000,000	—	—	—	—	—	—	139,685	13,073,010	158,240	5,217,816	26,884	565,050
\$1,000,000 or more	—	—	—	—	—	—	29,039	6,866,460	31,969	2,546,188	5,948	349,566
Taxable returns, total	41,597	92,075	411,334	2,273,922	96,049	367,197	2,317,267	70,175,392	2,631,469	30,004,988	606,582	4,740,195
No adjusted gross income	59	226	33	88	12	221	985	148,123	5,909	2,776,954	215	16,143
\$1 under \$1,000	—	—	—	—	—	—	3,637	1,678	1,819	1,696	1,818	924
\$1,000 under \$2,000	—	—	—	—	—	—	10,910	8,536	1,818	1,294	10,912	9,472
\$2,000 under \$3,000	—	—	—	—	—	—	12,732	27,512	5,456	4,162	12,730	13,847
\$3,000 under \$4,000	—	—	—	—	—	—	5,455	2,651	5,455	4,409	5,456	1,912
\$4,000 under \$5,000	—	—	—	—	—	—	8,610	55,455	9,524	60,986	14,026	45,751
\$5,000 under \$6,000	—	—	—	—	—	—	16,366	43,485	5,930	56,242	10,909	26,818
\$6,000 under \$7,000	—	—	—	—	—	—	13,635	81,341	10,014	138,045	9,091	13,241
\$7,000 under \$8,000	—	—	—	—	—	—	15,848	51,761	9,176	49,669	3,637	1,653
\$8,000 under \$9,000	—	—	—	—	—	—	9,520	60,299	13,259	32,806	7,272	13,370
\$9,000 under \$10,000	—	—	—	—	—	—	11,290	40,953	13,260	12,153	7,703	24,006
\$10,000 under \$11,000	—	—	—	—	—	—	28,541	112,618	12,763	82,065	11,841	47,274
\$11,000 under \$12,000	—	—	—	—	—	—	21,768	45,076	20,009	50,956	11,343	25,883
\$12,000 under \$13,000	—	—	—	—	—	—	31,379	171,169	24,687	108,228	3,631	4,041
\$13,000 under \$14,000	—	—	—	—	—	—	26,371	195,034	28,526	81,522	14,550	57,297
\$14,000 under \$15,000	—	—	—	—	—	—	26,799	125,960	15,605	104,313	13,625	26,164
\$15,000 under \$16,000	—	—	—	—	—	—	24,464	162,659	17,653	49,606	7,754	60,704
\$16,000 under \$17,000	—	—	—	—	—	—	31,379	191,778	32,672	86,534	4,114	2,754
\$17,000 under \$18,000	—	—	—	—	—	—	22,253	73,519	16,473	81,835	6,230	21,313
\$18,000 under \$19,000	—	—	—	—	—	—	22,723	115,286	37,689	114,949	5,888	37,246
\$19,000 under \$20,000	—	—	—	—	—	—	36,720	378,897	20,071	59,006	13,780	65,888
\$20,000 under \$25,000	—	—	—	—	—	—	157,976	1,135,837	159,497	615,589	47,719	232,924
\$25,000 under \$30,000	—	—	—	—	—	—	130,143	1,087,728	144,404	676,548	38,223	171,101
\$30,000 under \$40,000	—	—	—	—	—	—	289,565	2,675,797	309,186	1,490,817	68,595	325,528
\$40,000 under \$50,000	—	—	—	—	—	—	249,772	2,355,233	309,014	1,389,929	53,051	243,775
\$50,000 under \$75,000	—	—	—	—	—	—	411,881	5,878,439	526,065	2,959,481	89,505	492,692
\$75,000 under \$100,000	—	—	—	—	—	—	199,367	4,914,848	306,726	2,294,167	40,615	338,956
\$100,000 under \$200,000	—	—	—	—	—	—	312,380	13,702,985	364,270	5,047,007	58,129	802,726
\$200,000 under \$500,000	—	—	—	—	—	—	139,572	13,060,697	157,882	5,115,910	26,839	563,667
\$500,000 under \$1,000,000	—	—	—	—	—	—	29,020	6,864,245	31,909	2,484,668	5,844	349,431
\$1,000,000 or more	—	—	—	—	—	—	16,186	16,445,802	14,143	3,973,443	3,360	703,699
Non-taxable returns, total	3,733	27,939	74,055	195,537	33,743	170,443	241,407	2,194,862	384,389	18,051,194	72,831	308,674

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Estate or trust—continued			Farm			Unemployment compensation in AGI			Social Security benefits							
	Net loss		Number of returns	Net income		Number of returns	Net loss		Number of returns	Amount		Number of returns	Total		Number of returns	Benefits in AGI	
	Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount			
All returns, total	116,547	724,886	1,053,695	10,714,192	12,037,656	7,370,742	12,286,674	9,827,392	77,854,622	3,637,211	12,524,112						
No adjusted gross income	7,872	154,727	42,872	710,234	109,477	16,248	109,477	89,045	619,895	2,615	8,869						
\$1 under \$1,000	3,636	14,189	15,626	29,678	26,174	8,088	26,174	111,445	686,135	—	—						
\$1,000 under \$2,000	3,643	287	16,038	10,935	57,744	9,881	57,744	118,700	671,953	1,818	2,756						
\$2,000 under \$3,000	—	—	19,213	64,782	76,413	84,556	76,413	217,243	1,473,404	—	—						
\$3,000 under \$4,000	1,822	18,870	8,964	14,644	52,650	13,755	115,474	222,699	1,462,625	1,818	5,203						
\$4,000 under \$5,000	1,818	129	48,193	178,910	128,237	20,523	188,144	253,058	1,617,217	—	—						
\$5,000 under \$6,000	3,226	17,857	19,588	116,234	64,840	22,815	189,168	363,384	2,574,713	—	—						
\$6,000 under \$7,000	1,818	4,967	31,742	150,866	163,268	27,786	194,594	371,741	2,577,413	3,636	8,997						
\$7,000 under \$8,000	—	—	33,522	115,182	84,293	23,925	269,160	427,595	3,284,151	3,645	11,900						
\$8,000 under \$9,000	430	345	36,152	240,346	225,810	29,680	264,563	381,162	2,738,051	3,636	4,590						
\$9,000 under \$10,000	1,916	46,522	29,051	142,588	82,465	21,863	261,845	334,032	2,607,402	1,819	5,979						
\$10,000 under \$11,000	—	—	28,210	162,753	102,917	29,086	204,979	368,630	2,814,060	—	—						
\$11,000 under \$12,000	3,201	51,521	20,862	118,985	192,442	24,212	239,158	337,812	2,665,945	1,818	1,364						
\$12,000 under \$13,000	—	—	33,562	124,648	144,152	15,267	211,737	314,231	2,512,068	1,818	2,222						
\$13,000 under \$14,000	3,638	5,941	29,097	143,954	176,934	34,526	207,217	312,162	2,674,565	1,818	2,756						
\$14,000 under \$15,000	—	—	25,044	186,556	130,937	24,947	209,145	241,791	2,008,879	3,637	9,021						
\$15,000 under \$16,000	1,818	1,923	22,221	72,861	161,700	23,678	219,644	210,365	1,624,168	1,818	2,698						
\$16,000 under \$17,000	2,248	1,774	8,070	134,688	99,659	14,260	209,518	220,817	1,769,932	1,818	15,157						
\$17,000 under \$18,000	—	—	15,587	104,484	127,872	31,727	171,384	218,064	1,762,414	5,458	7,518						
\$18,000 under \$19,000	1,819	4,067	20,038	86,311	212,786	28,915	190,972	201,280	1,674,725	13,158	13,990						
\$19,000 under \$20,000	—	—	27,150	169,153	123,330	26,594	160,080	176,209	1,316,059	10,476	9,277						
\$20,000 under \$25,000	3,636	8,325	103,025	1,002,103	714,681	134,688	760,380	719,557	5,673,874	182,743	196,236						
\$25,000 under \$30,000	6,437	4,071	75,002	586,546	843,217	140,718	759,049	640,281	5,122,569	430,878	700,005						
\$30,000 under \$40,000	12,959	32,914	142,606	1,448,427	937,959	131,744	1,087,979	1,030,196	8,015,298	1,016,891	2,676,261						
\$40,000 under \$50,000	10,169	13,115	68,049	1,235,918	840,751	92,357	566,272	703,043	5,882,559	703,043	2,824,388						
\$50,000 under \$75,000	13,398	26,400	81,318	1,501,263	862,498	109,041	434,441	720,493	6,488,181	720,493	3,246,847						
\$75,000 under \$100,000	9,018	58,369	22,930	781,281	384,878	39,378	64,378	204,738	2,052,972	204,738	1,026,446						
\$100,000 under \$200,000	13,258	89,143	21,228	692,143	855,419	38,511	20,438	226,969	2,395,082	226,969	1,197,489						
\$200,000 under \$500,000	6,172	83,836	6,187	287,612	617,069	16,330	617,069	72,019	844,929	72,019	422,449						
\$500,000 under \$1,000,000	1,616	30,451	1,359	80,942	262,958	3,691	299	12,685	165,079	12,685	82,536						
\$1,000,000 or more	979	56,455	709	100,654	341,333	2,233	87	5,946	78,304	5,946	39,161						
Taxable returns, total	98,133	557,973	753,788	8,347,975	7,459,797	6,081,677	10,331,143	7,732,246	62,298,476	3,600,735	12,414,394						
No adjusted gross income	435	51,024	881	23,821	70,159	1,553	—	209	2,994	169	847						
\$1 under \$1,000	1,818	85	—	3,011	—	5,456	3,601	9,093	40,604	—	—						
\$1,000 under \$2,000	1,819	198	6,234	9,847	—	5,455	1,545	10,911	53,927	—	—						
\$2,000 under \$3,000	—	—	6,234	—	—	—	3,637	12,731	67,616	—	—						
\$3,000 under \$4,000	—	—	—	—	—	—	—	10,911	39,256	—	—						
\$4,000 under \$5,000	1,818	129	32,078	104,598	2,819	67,290	103,473	34,546	179,780	—	—						
\$5,000 under \$6,000	—	—	6,234	20,728	—	87,287	123,585	80,444	465,609	—	—						
\$6,000 under \$7,000	1,818	4,967	7,569	77,367	37,053	109,131	163,528	202,230	1,270,656	3,636	8,997						
\$7,000 under \$8,000	—	—	11,175	41,236	14,831	125,492	182,214	236,854	1,604,105	3,645	11,900						
\$8,000 under \$9,000	430	345	12,996	77,547	79,862	158,616	231,189	221,573	2,316,854	3,636	4,590						
\$9,000 under \$10,000	98	36,139	12,996	60,007	31,531	152,757	248,407	198,574	1,347,255	1,819	5,979						
\$10,000 under \$11,000	—	—	17,935	66,174	61,361	115,873	203,427	336,665	2,556,971	—	—						
\$11,000 under \$12,000	3,201	51,521	9,351	64,332	66,709	146,405	230,556	291,315	2,336,216	1,818	1,364						
\$12,000 under \$13,000	—	—	19,231	39,356	94,293	165,826	268,723	280,357	2,213,705	1,818	2,222						
\$13,000 under \$14,000	3,638	5,941	24,157	83,069	117,937	171,752	297,604	292,155	2,525,287	1,818	2,756						
\$14,000 under \$15,000	—	—	21,859	155,073	75,059	182,297	323,475	226,333	1,901,940	1,819	4,35						
\$15,000 under \$16,000	1,818	1,923	20,041	46,300	161,627	207,345	383,363	201,273	1,558,205	1,818	2,698						
\$16,000 under \$17,000	2,248	1,774	8,045	52,733	99,659	199,992	363,468	216,747	1,743,076	1,818	15,157						
\$17,000 under \$18,000	—	—	12,470	87,786	100,510	162,291	288,588	210,757	1,695,292	5,458	7,518						
\$18,000 under \$19,000	1,819	4,067	16,920	68,950	131,154	185,509	318,696	197,209	1,646,064	13,158	13,990						
\$19,000 under \$20,000	—	—	22,210	114,642	82,359	156,440	263,711	167,556	1,267,493	9,093	8,343						
\$20,000 under \$25,000	3,636	8,325	89,727	814,170	592,558	745,984	1,283,643	700,850	5,512,484	177,632	185,894						
\$25,000 under \$30,000	6,437	4,071	67,526	528,095	787,866	756,569	1,379,898	630,213	5,050,213	422,145	676,322						
\$30,000 under \$40,000	12,957	32,913	129,365	1,200,999	862,853	1,085,690	1,808,580	1,020,128	7,940,590	1,006,823	2,644,968						
\$40,000 under \$50,000	9,811	13,094	66,904	1,195,126	769,828	562,459	956,367	701,093	5,863,903	701,093	2,815,158						
\$50,000 under \$75,000	13,313	26,180	81,076	1,472,131	813,252	434,441	717,061	171,925	6,475,144	197,209	3,240,329						
\$75,000 under \$100,000	9,018	58,369	22,930	781,281	366,224	67,596	180,280	204,569	2,051,413	204,569	1,025,666						
\$100,000 under \$200,000	13,258	89,143	21,228	692,143	836,851	38,348	53,798	226,489	2,391,665	226,489	1,195,781						
\$200,000 under \$500,000	7,767	112,658	6,174	287,331	607,160	16,272	71,933	12,674	843,996	71,933	421,982						
\$500,000 under \$1,000,000	—	—	2,063	180,122	258,896	3,676	218	12,674	164,932	12,674	82,463						
\$1,000,000 or more	976	56,418	—	—	337,426	87	—	5,929	78,055	5,929	39,036						
Non-taxable returns, total	18,414	166,914	299,907	2,365,218	4,577,859	1,289,065	1,955,531	2,095,146	15,556,146	36,476	109,718						

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Foreign earned income exclusion			Other income			Net loss			Total			Statutory adjustments																	
	Number of returns	Amount	(63)	Net income		(66)	Number of returns	Amount	(67)	Number of returns	Amount	(68)	Number of returns	Amount	(69)	Number of returns	Amount	(70)	Number of returns	Amount	(71)	Number of returns	Amount	(72)	Number of returns	Amount	(73)	Number of returns	Amount	(74)
				(64)	(65)																									
All returns, total	168,057	6,405,125	6,198,086	15,827,894	523,892	32,813,666	11,620,127	30,116,329	1,419,456	4,065,923	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722
No adjusted gross income	31,440	1,044,606	6,198,086	15,827,894	523,892	32,813,666	11,620,127	30,116,329	1,419,456	4,065,923	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722	7,318,727	14,065,722
\$1 under \$1,000	21,870	551,258	152,246	96,023	6,432	178,171	31,846	59,589	5,466	30,795	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749	6,387	9,749
\$1,000 under \$2,000	9,472	332,396	88,449	78,663	4,774	113,610	25,411	25,411	2,271	1,839	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303	14,560	21,303
\$2,000 under \$3,000	2,915	131,380	99,660	95,319	10,621	117,528	57,612	78,766	3,636	5,712	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413	24,557	36,413
\$3,000 under \$4,000	6,283	239,500	92,625	160,415	7,745	175,614	62,878	53,343	3,695	1,938	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124	20,588	30,124
\$4,000 under \$5,000	4,398	186,449	113,662	208,261	5,397	27,839	88,070	87,463	10,913	29,163	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456	23,161	33,456
\$5,000 under \$6,000	2,915	107,864	100,075	225,370	9,972	102,460	111,486	152,978	7,277	31,437	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383	50,991	86,383
\$6,000 under \$7,000	2,461	68,121	116,636	196,107	8,424	74,002	90,969	132,422	12,742	40,524	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544	36,845	60,544
\$7,000 under \$8,000	2,486	52,621	126,554	233,868	6,200	68,216	139,163	232,805	12,845	30,091	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049	73,170	114,049
\$8,000 under \$9,000	3,145	92,247	120,874	236,021	13,686	268,878	140,961	199,387	14,204	34,084	77,227	129,430	34,084	77,227	129,430	34,084	77,227	129,430	34,084	77,227	129,430	34,084	77,227	129,430	34,084	77,227	129,430	34,084	77,227	129,430
\$9,000 under \$10,000	4,225	144,909	89,594	164,261	7,327	83,910	127,311	176,583	5,459	13,211	70,699	113,391	13,211	70,699	113,391	13,211	70,699	113,391	13,211	70,699	113,391	13,211	70,699	113,391	13,211	70,699	113,391	13,211	70,699	113,391
\$10,000 under \$11,000	2,490	74,916	114,969	236,786	6,561	63,057	154,997	219,813	10,920	17,807	103,192	175,982	10,920	17,807	103,192	175,982	10,920	17,807	103,192	175,982	10,920	17,807	103,192	175,982	10,920	17,807	103,192	175,982	10,920	17,807
\$11,000 under \$12,000	3,894	82,446	87,733	163,246	2,611	65,978	182,987	222,421	38,801	22,324	90,245	155,486	38,801	22,324	90,245	155,486	38,801	22,324	90,245	155,486	38,801	22,324	90,245	155,486	38,801	22,324	90,245	155,486	38,801	22,324
\$12,000 under \$13,000	981	28,656	83,559	138,346	18,041	120,721	179,604	272,916	9,107	13,599	115,102	206,143	9,107	13,599	115,102	206,143	9,107	13,599	115,102	206,143	9,107	13,599	115,102	206,143	9,107	13,599	115,102	206,143	9,107	13,599
\$13,000 under \$14,000	2,839	109,904	97,815	200,669	5,452	12,379	197,754	325,216	10,144	17,970	135,895	238,116	10,144	17,970	135,895	238,116	10,144	17,970	135,895	238,116	10,144	17,970	135,895	238,116	10,144	17,970	135,895	238,116	10,144	17,970
\$14,000 under \$15,000	2,515	98,210	79,950	181,870	5,465	80,424	194,050	280,863	10,914	28,449	111,856	174,150	10,914	28,449	111,856	174,150	10,914	28,449	111,856	174,150	10,914	28,449	111,856	174,150	10,914	28,449	111,856	174,150	10,914	28,449
\$15,000 under \$16,000	2,917	101,859	96,214	205,963	10,027	192,302	173,277	275,581	12,725	39,033	113,789	208,159	12,725	39,033	113,789	208,159	12,725	39,033	113,789	208,159	12,725	39,033	113,789	208,159	12,725	39,033	113,789	208,159	12,725	39,033
\$16,000 under \$17,000	2,059	37,616	90,453	135,696	6,114	82,032	176,902	292,050	8,182	32,126	109,692	200,467	8,182	32,126	109,692	200,467	8,182	32,126	109,692	200,467	8,182	32,126	109,692	200,467	8,182	32,126	109,692	200,467	8,182	32,126
\$17,000 under \$18,000	2,167	83,328	89,521	188,918	6,885	39,208	220,682	407,042	24,116	80,513	142,255	250,233	24,116	80,513	142,255	250,233	24,116	80,513	142,255	250,233	24,116	80,513	142,255	250,233	24,116	80,513	142,255	250,233	24,116	80,513
\$18,000 under \$19,000	2,388	72,349	123,087	298,084	2,66	42,074	234,410	389,160	13,625	26,443	168,173	288,908	13,625	26,443	168,173	288,908	13,625	26,443	168,173	288,908	13,625	26,443	168,173	288,908	13,625	26,443	168,173	288,908	13,625	26,443
\$19,000 under \$20,000	1,159	75,771	101,032	207,810	5,050	119,553	219,499	414,824	25,976	57,305	140,816	280,164	25,976	57,305	140,816	280,164	25,976	57,305	140,816	280,164	25,976	57,305	140,816	280,164	25,976	57,305	140,816	280,164	25,976	57,305
\$20,000 under \$25,000	7,882	295,889	498,315	699,852	21,521	121,954	1,252,517	2,343,546	115,948	266,981	908,501	1,612,699	115,948	266,981	908,501	1,612,699	115,948	266,981	908,501	1,612,699	115,948	266,981	908,501	1,612,699	115,948	266,981	908,501	1,612,699	115,948	266,981
\$25,000 under \$30,000	6,697	231,273	481,387	868,621	24,859	195,837	1,250,990	2,303,646	120,042	331,587	949,400	1,683,806	120,042	331,587	949,400	1,683,806	120,042	331,587	949,400	1,683,806	120,042	331,587	949,400	1,683,806	120,042	331,587	949,400	1,683,806	120,042	331,587
\$30,000 under \$40,000	8,348	338,315	966,853	1,429,601	31,122	370,126	2,304,889	4,912,371	171,115	711,795	1,711,795	3,368,085	171,115	711,795	1,711,795	3,368,085	171,115	711,795	1,711,795	3,368,085	171,115	711,795	1,711,795	3,368,085	171,115	711,795	1,711,795	3,368,085	171,115	711,795
\$40,000 under \$50,000	5,304	274,423	747,997	1,563,630	22,049	159,214	1,658,059	3,306,019	222,127	523,954	1,160,038	1,882,050	222,127	523,954	1,160,038	1,882,050	222,127	523,954	1,160,038	1,882,050	222,127	523,954	1,160,038	1,882,050	222,127	523,954	1,160,038	1,882,050	222,127	523,954
\$50,000 under \$75,000	8,694	436,125	844,881	1,880,925	27,921	310,717	1,221,671	3,970,676	291,734	834,338	2,523,411	4,141,955	291,734	834,338	2,523,411	4,141,955	291,734	834,338	2,523,411	4,141,955	291,734	834,338	2,523,411							

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—continued											
	Primary IRA payments			Secondary IRA payments			Payments to a Keogh plan			Forfeited interest penalty		
	Number of returns (75)	Amount (76)	Number of returns (77)	Amount (78)	Number of returns (79)	Amount (80)	Number of returns (81)	Amount (82)	Number of returns (83)	Amount (84)	Number of returns (85)	Amount (86)
All returns, total	6,799,280	10,342,201	2,944,294	3,723,521	759,083	6,183,441	791,533	185,907	597,275	4,007,869	1,444,453	626,093
No adjusted gross income	15,354	32,039	7,097	11,892	3,224	14,714	9,711	2,791	13,071	177,237	20,069	7,417
\$1 under \$1,000	*6,387	*9,471	*931	*278	*84	*1,676	*12,208	*449	*2,723	*15,730	*5,062	*1,189
\$1,000 under \$2,000	*14,560	*20,847	*1,822	*456	—	*759	*3,638	*182	—	—	—	—
\$2,000 under \$3,000	22,739	32,322	*3,640	*4,092	*1,819	—	*12,733	*1,475	*1,822	*9,110	16,681	7,535
\$3,000 under \$4,000	18,766	25,927	*3,206	*4,198	—	—	*21,825	6,312	—	—	*16,774	*5,092
\$4,000 under \$5,000	23,161	31,185	*2,723	*2,272	—	—	*9,092	*7,022	*1,819	*8,793	*21,190	6,056
\$5,000 under \$6,000	47,353	75,463	*5,460	*10,920	*84	*1,254	*27,291	2,850	*3,662	*18,915	33,114	12,140
\$6,000 under \$7,000	33,205	*51,737	*10,929	*8,806	—	—	20,424	5,948	*469	*5,182	21,719	7,533
\$7,000 under \$8,000	69,529	96,865	*19,915	*17,184	*1,822	*91	15,115	1,540	*9,098	*25,372	24,105	9,473
\$8,000 under \$9,000	74,110	102,940	19,915	26,490	—	—	15,115	490	*3,636	*20,543	33,471	11,621
\$9,000 under \$10,000	62,114	92,219	20,411	21,172	*431	*324	*13,776	*3,227	*10,147	*33,337	35,157	12,677
\$10,000 under \$11,000	93,190	155,655	22,570	20,327	*1,822	*4,874	*14,555	*1,457	*1,873	*11,114	28,972	12,397
\$11,000 under \$12,000	86,609	127,776	21,163	27,710	*3,640	*6,443	30,929	4,216	*3,637	*4,618	44,439	12,374
\$12,000 under \$13,000	107,824	177,634	19,196	28,509	—	—	21,347	2,350	*9,999	*34,991	26,346	9,114
\$13,000 under \$14,000	132,255	199,649	26,377	38,468	*5,516	*8,048	*12,764	*1,967	*7,705	*31,785	26,218	7,674
\$14,000 under \$15,000	107,746	155,689	17,317	18,461	*7,754	*5,715	*12,970	*1,185	*5,506	*32,648	48,731	19,812
\$15,000 under \$16,000	105,607	158,814	37,412	49,345	*4,333	*3,118	23,647	3,049	*3,637	*12,037	21,774	6,043
\$16,000 under \$17,000	98,777	156,372	29,614	44,095	*1,818	*5,082	*9,085	*1,075	*14,544	*38,998	29,906	9,368
\$17,000 under \$18,000	134,069	199,237	35,027	50,996	*2,727	*5,082	*11,819	*3,571	*14,544	*48,234	31,581	14,693
\$18,000 under \$19,000	157,776	245,748	31,347	43,159	*5,357	*10,746	18,191	2,113	*7,068	*31,758	37,558	11,666
\$19,000 under \$20,000	135,357	219,609	37,433	60,556	*1,815	*4,053	*10,475	*1,035	*15,062	*56,262	25,347	7,585
\$20,000 under \$25,000	847,703	1,326,234	224,817	286,465	33,969	94,743	73,219	26,706	45,936	203,690	138,786	55,968
\$25,000 under \$30,000	888,486	1,292,811	313,675	390,996	31,396	75,685	51,376	6,998	41,327	163,776	116,052	48,945
\$30,000 under \$40,000	1,571,112	2,355,620	784,761	1,012,465	68,162	247,331	109,040	24,043	80,090	322,003	198,629	80,106
\$40,000 under \$50,000	1,060,495	1,285,370	626,580	596,680	80,403	326,127	77,174	13,459	80,765	360,932	121,129	52,687
\$50,000 under \$75,000	487,320	934,835	332,777	487,120	176,485	884,879	99,364	21,034	101,728	629,067	146,043	80,717
\$75,000 under \$100,000	174,478	342,928	131,241	207,720	103,397	828,704	21,727	7,838	43,028	409,150	67,571	44,336
\$100,000 under \$200,000	166,751	336,158	126,307	187,867	162,323	2,186,983	21,085	26,263	54,088	671,092	73,656	44,405
\$200,000 under \$500,000	45,939	30,366	35,135	53,750	52,640	1,440,439	4,413	3,995	21,251	420,882	24,040	22,375
\$500,000 under \$1,000,000	7,129	13,980	5,034	7,443	8,157	222,650	896	596	3,984	127,632	3,026	3,086
\$1,000,000 or more	3,377	6,701	2,448	3,632	3,805	128,679	338	772	2,388	106,554	1,376	1,063
Taxable returns, total	6,554,832	9,995,133	2,832,463	3,578,899	743,241	6,139,780	668,395	164,130	563,922	3,707,714	1,172,950	513,328
No adjusted gross income	511	1,035	295	327	130	2,350	964	441	1,474	33,270	108	47
\$1 under \$1,000	—	—	—	—	—	—	*1,818	*53	—	—	—	—
\$1,000 under \$2,000	*5,455	*5,301	—	—	—	—	*3,637	*182	—	—	—	—
\$2,000 under \$3,000	*7,809	*7,809	—	—	—	—	—	—	*1,822	*9,110	—	—
\$3,000 under \$4,000	*5,456	*10,912	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	15,415	21,116	*1,818	*2,045	—	—	*3,637	*6,036	*1,818	*8,748	*4,939	*760
\$5,000 under \$6,000	32,787	55,577	—	—	—	—	*12,735	*468	*1,819	*5,675	*15,872	*3,722
\$6,000 under \$7,000	24,551	34,491	—	—	—	—	*9,512	*3,000	*469	*5,182	*3,644	*609
\$7,000 under \$8,000	47,689	74,006	*3,641	*2,608	—	—	*14,550	*942	*3,640	*2,809	*9,541	*2,999
\$8,000 under \$9,000	46,389	68,858	*5,412	*9,989	—	—	*7,705	*201	*3,636	*20,543	*14,480	*3,321
\$9,000 under \$10,000	42,756	67,052	*4,549	*5,468	—	—	*5,456	*2,431	*7,281	*8,588	18,699	4,058
\$10,000 under \$11,000	82,031	140,995	19,108	19,508	*1,822	*4,874	*10,914	*371	*1,822	*12,303	5,801	*1,903
\$11,000 under \$12,000	75,449	117,818	15,465	*21,502	*3,640	*6,443	25,463	3,959	*3,637	*4,618	26,277	4,866
\$12,000 under \$13,000	102,358	168,050	13,734	*22,591	—	—	19,528	2,328	*9,999	*34,991	13,214	*3,361
\$13,000 under \$14,000	129,531	198,233	26,377	38,468	*3,694	*7,356	*12,295	*1,943	*7,705	*31,785	18,121	*4,890
\$14,000 under \$15,000	96,439	142,924	14,590	13,007	*6,849	*14,810	*10,912	*1,153	*5,506	*32,648	34,152	*3,072
\$15,000 under \$16,000	104,091	195,782	36,365	47,251	—	—	23,647	3,049	*3,637	*12,037	21,416	5,543
\$16,000 under \$17,000	97,389	153,556	28,206	41,279	*1,818	*307	*9,085	*1,075	*6,843	*33,085	25,357	7,077
\$17,000 under \$18,000	132,251	195,601	33,209	47,360	*2,727	*5,082	*8,179	*1,571	*14,544	*48,234	28,464	13,122
\$18,000 under \$19,000	149,194	234,150	24,965	34,285	*5,357	*10,746	18,191	2,113	*7,268	*18,223	36,653	10,867
\$19,000 under \$20,000	132,395	213,685	37,236	60,162	*909	*2,835	*10,475	*1,035	*15,062	*56,262	23,525	7,040
\$20,000 under \$25,000	838,214	1,309,653	218,377	277,146	33,259	88,972	70,929	26,659	40,461	172,654	127,857	52,108
\$25,000 under \$30,000	886,636	1,289,107	311,820	390,734	31,396	75,685	50,328	6,963	41,327	163,776	108,986	44,960
\$30,000 under \$40,000	1,051,902	2,339,242	625,937	1,006,086	65,544	236,900	109,040	24,043	79,656	311,150	189,270	75,464
\$40,000 under \$50,000	1,059,025	1,282,845	625,937	595,685	79,694	324,536	76,127	13,384	78,704	348,469	120,192	52,269
\$50,000 under \$75,000	484,880	919,859	331,058	482,479	176,245	852,479	*142,175	*55,133	*1,153	*625,794	145,804	14,811
\$75,000 under \$100,000	174,188	342,336	131,001	207,240	103,346	828,338	—	—	42,590	395,457	67,487	44,283
\$100,000 under \$200,000	166,026	324,213	125,835	187,681	162,321	2,186,693	—	—	54,035	671,026	73,656	44,405
\$200,000 under \$500,000	45,894	30,274	33,116	53,732	*60,779	*1,362,771	—	—	21,217	419,876	24,024	22,355
\$500,000 under \$1,000,000	7,121	13,961	5,030	7,436	—	—	*5,300	*4,486	3,976	127,384	*4,399	*3,739
\$1,000,000 or more	3,373	6,691	2,448	3,632	3,801	128,604	338	772	2,381	106,190	—	—
Non-taxable returns, total	244,448	347,068	111,831	144,622	15,842	43,662	123,138	21,777	33,353	300,154	271,503	112,765
Total	7,043,728	10,389,271	3,056,125	3,723,521	764,925	6,227,443	914,671	207,677	631,298	4,308,023	1,714,453	738,863
All returns, total	6,799,280	10,342,201	2,944,294	3,723,521	759,083	6,183,441	791,533	185,907	597,275	4,007,869	1,444,453	626,093
Taxable returns, total	6,554,832	9,995,133	2,832,463	3,578,899	743,241	6,139,780	668,395	164,130	563,922	3,707,714	1,172,950	513,328
Non-taxable returns, total	244,448	347,068	111,831	144,622	15,842	43,662	123,138	21,777	33,353	300,154	271,503	112,765
Total	7,043,728	10,389,271	3,056,125	3,723,521	764,925	6,227,443	914,671	207,677	631,298	4,308,023	1,714,453	738,863
All returns, total	6,799,280	10,342,201	2,944,294	3,723,521	759,083	6,183,441	791,533	185,907	597,275	4,007,869	1,444,453	626,093
Taxable returns, total	6,554,832	9,995,133	2,832,463	3,578,899	743,241	6,139,780	668,395	164,130	563,922	3,707,714	1,172,950	513,328
Non-taxable returns, total	244,448	347,068	111,831	144,622	15,842	43,662	123,138	21,777	33,353	300,154	271,503	112,765
Total	7,043,728	10,389,271	3,056,125	3,723,521	764,925	6,227,443	914,671	207,677	631,298	4,308,023	1,714,453	738,863

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income																	
Basic standard deduction			Additional standard deduction			Total itemized deductions			Exemptions			Taxable income			Income tax before credits		
	Number of returns (89)	Amount (90)	Number of returns (91)	Amount (92)	Number of returns (93)	Amount (94)	Number of exemptions (95)	Amount (96)	Number of returns (97)	Amount (98)	Number of returns (99)	Amount (100)					
All returns, total	69,099,180	203,070,218	10,111,806	8,996,598	35,627,790	392,020,128	217,495,163	408,773,173	90,079,102	1,850,597,119	89,717,924	373,857,125					
No adjusted gross income	—	—	—	—	—	—	1,763,334	3,140,292	—	—	270	966					
\$1 under \$1,000	2,751,140	3,913,555	103,650	83,277	20,417	155,443	1,668,648	3,078,576	774,560	155,369	745,458	23,651					
\$1,000 under \$2,000	3,563,951	6,670,935	115,877	98,681	41,896	306,545	2,365,300	4,410,821	1,081,357	504,619	1,006,300	74,515					
\$2,000 under \$3,000	3,585,951	8,705,916	223,612	188,972	49,606	402,897	3,126,140	5,764,635	1,358,193	856,194	1,226,314	109,235					
\$3,000 under \$4,000	3,212,252	8,405,904	274,447	225,930	67,720	489,019	3,076,305	5,740,672	1,350,114	856,194	1,317,372	183,397					
\$4,000 under \$5,000	3,180,036	8,561,229	282,576	262,576	73,646	425,382	3,852,610	7,167,936	1,697,159	1,171,636	1,697,159	254,607					
\$5,000 under \$6,000	3,140,661	8,780,463	298,436	282,576	101,832	718,959	4,259,762	7,967,206	2,145,761	3,550,422	2,145,761	445,360					
\$6,000 under \$7,000	2,879,000	8,201,365	269,000	269,000	167,017	1,328,912	4,564,348	8,546,413	2,259,101	4,714,410	2,259,101	557,817					
\$7,000 under \$8,000	2,962,789	8,637,829	270,784	486,827	175,796	1,109,244	4,893,640	9,150,440	2,398,054	6,804,165	2,381,670	836,076					
\$8,000 under \$9,000	2,826,151	8,428,612	278,083	509,892	197,315	1,399,074	5,013,704	9,390,936	2,393,497	8,374,735	2,387,984	1,072,877					
\$9,000 under \$10,000	2,691,390	7,994,103	264,356	444,791	212,252	1,683,194	4,924,426	9,234,239	2,424,283	10,125,295	2,423,374	1,319,386					
\$10,000 under \$11,000	2,670,799	8,173,793	257,326	487,956	228,351	1,564,111	4,932,783	9,976,773	2,619,668	11,676,542	2,612,385	1,546,126					
\$11,000 under \$12,000	2,500,749	7,505,123	478,011	423,507	258,673	1,823,609	4,901,772	9,200,309	2,596,850	10,430,593	2,595,027	1,894,025					
\$12,000 under \$13,000	2,385,887	7,331,769	461,869	418,545	326,656	2,025,863	4,992,425	9,332,538	2,621,842	15,901,497	2,621,842	2,143,716					
\$13,000 under \$14,000	2,341,939	7,153,626	463,940	363,947	356,514	2,233,204	5,110,582	9,591,159	2,616,644	17,984,638	2,614,822	2,468,155					
\$14,000 under \$15,000	2,160,008	6,680,219	371,309	327,533	370,448	2,442,194	4,896,360	9,196,409	2,460,987	18,879,719	2,457,342	2,606,050					
\$15,000 under \$16,000	2,071,968	6,421,114	318,276	303,726	381,550	2,468,953	4,963,598	9,295,799	2,442,519	20,610,413	2,442,519	2,884,022					
\$16,000 under \$17,000	1,851,996	5,746,554	304,850	276,932	402,249	2,478,653	4,436,322	8,291,655	2,254,787	21,335,032	2,254,787	2,972,540					
\$17,000 under \$18,000	1,813,082	5,692,871	300,664	278,725	437,672	3,062,278	4,653,118	8,704,802	2,249,533	22,631,077	2,249,533	3,167,146					
\$18,000 under \$19,000	1,685,509	5,282,768	270,717	251,295	478,238	3,118,362	4,555,244	8,559,383	2,157,662	23,579,725	2,158,441	3,333,087					
\$19,000 under \$20,000	1,547,139	4,927,442	224,467	197,073	542,087	3,658,776	4,450,658	8,360,722	2,086,629	24,441,186	2,086,629	3,477,985					
\$20,000 under \$25,000	6,085,064	19,816,260	803,669	732,899	2,887,779	19,402,586	20,090,738	37,845,625	8,967,574	126,032,289	8,967,968	18,479,359					
\$25,000 under \$30,000	4,122,662	13,980,609	503,917	452,365	1,307,906	23,095,478	18,322,346	34,515,914	7,468,035	133,895,752	7,467,130	20,795,705					
\$30,000 under \$40,000	4,369,858	15,578,902	617,349	566,094	7,181,645	56,824,355	31,386,970	59,220,283	11,579,339	270,913,902	11,578,769	43,519,780					
\$40,000 under \$50,000	1,651,651	6,296,179	362,369	338,286	6,189,086	58,147,027	23,122,063	43,579,595	7,849,462	242,712,736	7,849,461	41,908,845					
\$50,000 under \$75,000	857,170	3,392,821	224,224	266,330	7,248,587	86,750,714	24,355,351	46,072,617	8,099,602	347,978,968	8,099,602	70,479,901					
\$75,000 under \$100,000	112,446	462,733	56,045	53,382	1,950,548	33,672,774	6,246,056	11,807,812	2,060,927	129,661,327	2,060,924	31,481,126					
\$100,000 under \$200,000	68,012	283,749	40,286	40,738	1,444,180	38,458,847	4,551,594	8,575,985	1,508,026	153,927,488	1,508,025	43,600,131					
\$200,000 under \$500,000	9,195	37,132	5,668	5,636	420,380	21,164,988	1,294,383	2,448,873	427,762	100,643,818	427,751	32,900,611					
\$500,000 under \$1,000,000	1,362	5,473	825	848	73,940	7,803,448	222,542	420,235	74,894	42,794,638	74,892	14,723,036					
\$1,000,000 or more	314	1,170	134	129	34,612	13,625,238	100,841	190,533	34,704	72,120,769	34,705	24,597,896					
Taxable returns, total	51,824,838	154,095,729	7,601,084	6,725,493	33,913,680	369,919,197	177,740,619	334,527,521	86,675,726	1,841,389,696	86,697,594	372,730,649					
No adjusted gross income	—	—	—	—	—	—	24,706	44,322	—	—	258	914					
\$1 under \$1,000	740,531	402,152	—	—	—	—	*1,820	*3,458	742,349	153,810	744,167	23,640					
\$1,000 under \$2,000	1,004,482	1,004,400	*1,818	*1,364	—	—	*9,090	*17,271	1,004,482	488,087	1,006,300	74,515					
\$2,000 under \$3,000	1,215,396	2,424,628	*1,819	*1,364	—	—	*10,922	*24,495	1,224,495	719,552	1,226,314	109,235					
\$3,000 under \$4,000	1,276,444	2,976,336	—	—	—	—	*5,689	*59,008	1,313,277	1,520,503	1,313,278	183,114					
\$4,000 under \$5,000	1,607,587	3,924,334	—	—	—	—	862,543	1,588,238	1,663,061	2,121,903	1,668,516	252,449					
\$5,000 under \$6,000	2,027,113	5,073,137	109,120	82,113	—	—	1,484,980	2,782,129	2,077,129	3,482,963	2,078,947	442,122					
\$6,000 under \$7,000	1,903,663	4,888,906	313,074	238,946	56,669	217,435	1,708,468	3,197,602	2,005,571	4,511,055	2,007,393	541,141					
\$7,000 under \$8,000	1,979,031	5,184,302	322,741	248,055	65,048	251,679	1,941,731	3,643,379	2,082,659	6,309,879	2,084,478	789,134					
\$8,000 under \$9,000	1,913,992	5,129,330	298,111	226,583	82,817	352,484	2,155,520	4,025,701	2,049,936	7,740,815	2,051,755	1,006,835					
\$9,000 under \$10,000	1,862,842	5,096,144	298,582	224,287	89,664	432,243	2,246,238	4,181,849	2,011,103	9,148,811	2,012,922	1,207,290					
\$10,000 under \$11,000	2,035,886	6,122,654	518,908	473,526	104,548	488,492	2,799,599	5,231,787	2,185,954	10,647,295	2,185,954	1,429,027					
\$11,000 under \$12,000	2,008,214	5,858,414	447,615	395,176	160,114	754,244	2,912,803	5,436,239	2,216,053	13,043,698	2,216,053	1,775,789					
\$12,000 under \$13,000	2,021,044	6,079,566	442,942	402,321	234,713	1,201,578	3,367,131	6,252,306	2,313,384	15,046,236	2,313,384	2,040,151					
\$13,000 under \$14,000	2,147,931	6,482,951	400,675	358,491	268,155	1,367,714	3,903,691	7,308,530	2,450,645	17,590,388	2,450,645	2,420,551					
\$14,000 under \$15,000	2,051,782	6,306,455	365,850	322,073	287,450	1,516,810	4,089,980	7,689,690	2,366,045	18,534,750	2,366,045	2,565,669					
\$15,000 under \$16,000	2,016,010	6,226,690	341,636	299,358	343,252	1,786,768	4,549,492	8,513,741	2,405,226	20,467,606	2,405,226	2,865,850					
\$16,000 under \$17,000	1,815,127	5,622,086	304,420	276,610	363,746	2,041,961	4,081,866	7,626,634	2,225,727	21,202,152	2,225,727	2,955,486					
\$17,000 under \$18,000	1,791,742	5,619,989	298,811	276,501	387,040	2,278,290	4,398,196	8,822,014	2,220,132	22,484,756	2,220,132	3,147,986					
\$18,000 under \$19,000	1,661,337	5,194,101	270,717	251,295	442,140	2,582,787	4,299,734	8,073,914	2,134,382	23,482,424	2,135,161	3,312,654					
\$19,000 under \$20,000	1,534,902	4,879,711	222,657	194,901	500,403	2,961,730	4,259,433	7,998,184	2,067,555	24,308,464	2,067,555	3,460,196					
\$20,000 under \$25,000	6,047,923	19,679,354	800,551	731,028	2,771,078	17,332,833	19,508,455	36,749,413	8,897,283	125,365,847	8,897,677	18,387,239					
\$25,000 under \$30,000	4,111,958	13,938,975	501,722	450,532	3,263,482	22,108,142	18,144,141	34,185,081	7,439,3								

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits													
	Total			Total personal credits						Foreign tax credit				
				Child care credit			Credit for the elderly and disabled			Earned income credit used to offset income tax before credits				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
All returns, total	12,901,020	6,329,438	11,888,059	4,169,617	8,519,523	3,438,314	354,308	66,633	3,708,044	641,867	559,555	1,099,484		
No adjusted gross income	260	347	240	6	—	—	—	—	—	—	—	—		
\$1 under \$1,000	1,721	13	—	—	—	—	—	—	—	—	—	—		
\$1,000 under \$2,000	1,720	41	—	—	—	—	—	—	—	—	—	—		
\$2,000 under \$3,000	1,721	68	—	—	—	—	—	—	—	—	—	—		
\$3,000 under \$4,000	5,814	310	1,818	236	—	—	—	—	—	—	—	—		
\$4,000 under \$5,000	33,902	2,747	21,823	873	1,818	31	1,818	62	18,187	780	3,893	194		
\$5,000 under \$6,000	51,250	3,416	49,100	3,230	3,637	429	29,094	971	16,369	1,829	2,150	187		
\$6,000 under \$7,000	255,605	17,893	245,934	16,633	36,371	2,266	46,797	4,220	164,584	10,147	4,731	327		
\$7,000 under \$8,000	321,166	48,687	313,648	47,045	68,847	9,805	46,762	6,955	197,311	30,285	3,871	920		
\$8,000 under \$9,000	360,970	72,208	341,906	68,878	94,567	19,059	27,222	41,963	249,156	41,963	6,067	687		
\$9,000 under \$10,000	459,004	128,103	446,375	123,249	154,572	45,669	27,712	6,140	313,190	71,441	4,400	854		
\$10,000 under \$11,000	552,091	160,819	536,446	156,548	149,120	47,157	29,528	4,172	408,287	104,515	6,071	1,050		
\$11,000 under \$12,000	557,330	184,655	544,543	181,689	190,952	70,354	31,344	4,619	433,188	106,408	5,161	799		
\$12,000 under \$13,000	623,762	204,704	605,019	197,271	190,028	72,102	16,751	3,464	540,077	121,611	3,967	1,329		
\$13,000 under \$14,000	671,588	200,540	653,607	192,889	208,228	84,953	20,756	8,467	549,549	96,397	4,731	640		
\$14,000 under \$15,000	678,028	172,734	660,398	163,128	242,271	107,411	20,008	5,217	569,891	50,500	5,363	1,185		
\$15,000 under \$16,000	404,492	106,393	395,137	101,972	189,621	91,259	10,914	4,213	246,437	5,755	5,719	1,469		
\$16,000 under \$17,000	191,465	79,124	179,132	75,631	157,303	69,930	18,189	5,151	—	—	8,222	3,088		
\$17,000 under \$18,000	239,063	105,848	219,055	96,075	199,563	90,764	14,030	3,344	—	—	6,603	1,489		
\$18,000 under \$19,000	228,900	108,210	204,698	89,711	201,011	88,654	3,687	1,056	—	—	6,021	1,169		
\$19,000 under \$20,000	203,561	100,590	184,069	88,334	175,890	87,204	7,274	1,060	—	—	4,957	2,395		
\$20,000 under \$25,000	979,082	479,096	889,796	391,867	878,611	387,749	1,819	300	—	—	36,087	12,072		
\$25,000 under \$30,000	979,913	418,472	911,911	349,820	909,623	348,836	—	—	—	—	27,302	14,443		
\$30,000 under \$40,000	1,666,909	747,255	1,572,176	592,013	1,565,311	588,376	—	—	—	—	47,641	42,557		
\$40,000 under \$50,000	1,300,549	593,863	1,210,337	469,483	1,207,775	468,893	—	—	—	—	51,633	40,277		
\$50,000 under \$75,000	1,398,654	699,147	1,263,973	552,870	1,259,468	552,109	—	—	—	—	100,716	64,990		
\$75,000 under \$100,000	355,076	298,558	275,933	129,360	271,634	127,651	—	—	—	—	57,613	84,077		
\$100,000 under \$200,000	260,295	520,230	270,712	65,227	128,723	63,345	—	—	—	—	87,614	277,045		
\$200,000 under \$500,000	86,597	351,811	24,142	13,205	23,068	12,253	—	—	—	—	42,797	226,577		
\$500,000 under \$1,000,000	21,348	152,721	3,133	1,681	2,733	1,585	—	—	—	—	11,808	91,806		
\$1,000,000 or more	12,184	370,834	998	692	778	471	—	—	—	—	7,052	227,666		
Taxable returns, total	9,880,690	5,202,961	9,086,423	3,430,243	7,404,927	3,046,037	215,708	40,493	1,797,775	329,249	526,301	983,119		
No adjusted gross income	248	295	240	6	—	—	—	—	—	—	—	—		
\$1 under \$1,000	430	3	—	—	—	—	—	—	—	—	—	—		
\$1,000 under \$2,000	1,720	41	—	—	—	—	—	—	—	—	—	—		
\$2,000 under \$3,000	1,721	68	—	—	—	—	—	—	—	—	—	—		
\$3,000 under \$4,000	1,720	26	—	—	—	—	—	—	—	—	—	—		
\$4,000 under \$5,000	5,259	589	—	—	—	—	—	—	—	—	—	—		
\$5,000 under \$6,000	3,538	179	1,818	162	—	—	—	—	—	—	—	—		
\$6,000 under \$7,000	19,755	1,218	15,884	1,096	—	—	—	—	—	—	—	—		
\$7,000 under \$8,000	23,974	1,744	21,824	1,657	—	—	—	—	—	—	—	—		
\$8,000 under \$9,000	24,741	6,166	16,367	4,564	1,819	151	—	—	—	—	—	—		
\$9,000 under \$10,000	48,552	16,007	45,896	15,290	1,818	391	18,616	3,454	25,462	2,142	2,150	86		
\$10,000 under \$11,000	125,660	43,719	119,968	42,221	7,281	1,416	24,070	2,945	90,013	37,325	4,730	549		
\$11,000 under \$12,000	178,356	66,419	172,663	65,846	23,643	8,196	20,432	2,924	143,138	54,725	4,301	304		
\$12,000 under \$13,000	315,304	101,138	310,856	100,076	46,366	15,391	12,209	2,188	292,288	82,497	2,630	507		
\$13,000 under \$14,000	507,411	152,936	498,183	148,944	128,673	55,227	23,119	6,654	455,492	86,516	4,301	619		
\$14,000 under \$15,000	586,731	132,353	575,428	127,796	174,970	75,597	16,367	3,238	539,490	48,960	4,523	1,007		
\$15,000 under \$16,000	367,199	88,220	360,577	86,249	158,698	76,772	9,096	2,993	244,618	5,738	5,288	758		
\$16,000 under \$17,000	162,838	62,070	153,668	60,224	133,661	54,860	18,189	5,151	—	—	6,881	1,553		
\$17,000 under \$18,000	209,662	86,689	199,042	85,350	181,372	81,275	14,030	3,344	—	—	5,692	958		
\$18,000 under \$19,000	205,620	87,778	192,849	83,058	189,162	82,002	3,687	1,056	—	—	6,021	1,169		
\$19,000 under \$20,000	184,487	82,801	170,861	78,259	162,682	77,129	7,274	1,060	—	—	4,097	975		
\$20,000 under \$25,000	905,791	366,975	856,385	367,444	847,010	364,785	1,819	300	—	—	33,736	7,646		
\$25,000 under \$30,000	952,173	371,198	904,098	346,006	901,810	345,022	—	—	—	—	23,657	4,682		
\$30,000 under \$40,000	1,633,379	646,979	1,562,600	585,377	1,555,736	583,305	—	—	—	—	40,859	16,519		
\$40,000 under \$50,000	1,286,804	548,111	1,207,438	467,808	1,204,876	467,218	—	—	—	—	49,660	31,251		
\$50,000 under \$75,000	1,393,891	683,475	1,262,926	552,662	1,258,421	551,901	—	—	—	—	99,769	57,101		
\$75,000 under \$100,000	354,268	283,866	275,883	129,355	271,634	127,651	—	—	—	—	56,918	71,415		
\$100,000 under \$200,000	259,474	495,041	270,712	65,224	128,720	63,342	—	—	—	—	87,108	257,018		
\$200,000 under \$500,000	86,480	343,341	24,142	13,205	23,068	12,251	—	—	—	—	42,706	218,301		
\$500,000 under \$1,000,000	21,330	149,268	3,133	1,681	2,733	1,585	—	—	—	—	11,792	88,358		
\$1,000,000 or more	12,174	364,249	998	692	778	471	—	—	—	—	7,042	221,080		
Nontaxable returns, total	3,020,330	1,126,476	2,801,636	739,374	1,114,596	392,278	138,600	26,140	1,910,269	312,618	33,254	116,365		

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples; money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits— continued				Income tax after personal credits			Income tax after credits			Alternative minimum tax			Total income tax	
	General business credits		Other tax credits		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	Number of returns	Amount	Number of returns	Amount											
(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)				
All returns, total	514,112	1,016,024	32,653	41,713	66,933,992	365,687,568	66,694,486	367,527,687	139,775	1,674,898	96,723,796	369,202,757			
No adjusted gross income	18	340			743,451	234,651	744,167	234,651	744,167	234,651	744,167	234,651			
\$1 under \$1,000					1,000,300	74,515	1,000,300	74,515	1,000,300	74,515	1,000,300	74,515			
\$1,000 under \$2,000					1,296,314	109,235	1,296,314	109,235	1,296,314	109,235	1,296,314	109,235			
\$2,000 under \$3,000					1,313,354	163,161	1,313,354	163,161	1,313,354	163,161	1,313,354	163,161			
\$3,000 under \$4,000	1,823	5			1,676,336	253,734	1,676,336	253,734	1,676,336	253,734	1,676,336	253,734			
\$4,000 under \$5,000	8,186	1,080			2,079,377	442,130	2,079,377	442,130	2,079,377	442,130	2,079,377	442,130			
\$5,000 under \$6,000					2,013,193	641,183	2,013,193	641,183	2,013,193	641,183	2,013,193	641,183			
\$6,000 under \$7,000	4,940	933			2,089,046	789,033	2,089,046	789,033	2,089,046	789,033	2,089,046	789,033			
\$7,000 under \$8,000	13,647	2,641			2,062,486	1,003,999	2,062,486	1,003,999	2,062,486	1,003,999	2,062,486	1,003,999			
\$8,000 under \$9,000	53,988	3,999			2,023,793	1,196,137	2,023,793	1,196,137	2,023,793	1,196,137	2,023,793	1,196,137			
\$9,000 under \$10,000					2,195,907	1,389,578	2,195,907	1,389,578	2,195,907	1,389,578	2,195,907	1,389,578			
\$10,000 under \$11,000	3,230				2,224,969	1,712,336	2,224,969	1,712,336	2,224,969	1,712,336	2,224,969	1,712,336			
\$11,000 under \$12,000	9,878				2,328,109	1,946,445	2,328,109	1,946,445	2,328,109	1,946,445	2,328,109	1,946,445			
\$12,000 under \$13,000	15,706				2,459,828	2,275,266	2,459,828	2,275,266	2,459,828	2,275,266	2,459,828	2,275,266			
\$13,000 under \$14,000	14,110				2,374,194	2,442,922	2,374,194	2,442,922	2,374,194	2,442,922	2,374,194	2,442,922			
\$14,000 under \$15,000	8,421				2,691,781	2,782,040	2,691,781	2,782,040	2,691,781	2,782,040	2,691,781	2,782,040			
\$15,000 under \$16,000	5,088				2,228,680	2,896,304	2,228,680	2,896,304	2,228,680	2,896,304	2,228,680	2,896,304			
\$16,000 under \$17,000	4,111				2,229,520	3,017,071	2,229,520	3,017,071	2,229,520	3,017,071	2,229,520	3,017,071			
\$17,000 under \$18,000	13,405				2,146,392	3,243,376	2,146,392	3,243,376	2,146,392	3,243,376	2,146,392	3,243,376			
\$18,000 under \$19,000	18,181				2,073,421	3,389,651	2,073,421	3,389,651	2,073,421	3,389,651	2,073,421	3,389,651			
\$19,000 under \$20,000	14,965				8,939,076	18,087,493	8,939,076	18,087,493	8,939,076	18,087,493	8,939,076	18,087,493			
\$20,000 under \$25,000	55,893	53,943	4,099		7,460,091	20,445,894	7,460,091	20,445,894	7,460,091	20,445,894	7,460,091	20,445,894			
\$25,000 under \$30,000	46,131				11,573,344	42,927,708	11,573,344	42,927,708	11,573,344	42,927,708	11,573,344	42,927,708			
\$30,000 under \$35,000	56,965				7,835,564	63,927,030	7,835,564	63,927,030	7,835,564	63,927,030	7,835,564	63,927,030			
\$35,000 under \$40,000	40,325				8,096,555	69,427,030	8,096,555	69,427,030	8,096,555	69,427,030	8,096,555	69,427,030			
\$40,000 under \$45,000	46,340				2,060,924	41,351,765	2,060,924	41,351,765	2,060,924	41,351,765	2,060,924	41,351,765			
\$45,000 under \$50,000	26,215				1,408,025	43,534,904	1,408,025	43,534,904	1,408,025	43,534,904	1,408,025	43,534,904			
\$50,000 under \$55,000	45,767				427,750	32,887,406	427,750	32,887,406	427,750	32,887,406	427,750	32,887,406			
\$55,000 under \$60,000	22,689				74,892	14,721,355	74,892	14,721,355	74,892	14,721,355	74,892	14,721,355			
\$60,000 under \$65,000	6,364				34,709	24,597,204	34,709	24,597,204	34,709	24,597,204	34,709	24,597,204			
\$65,000 under \$70,000	5,192														
\$70,000 under \$75,000	311,841	748,745	30,105	40,054	80,897,594	369,360,465	80,897,594	369,360,465	80,897,594	369,360,465	80,897,594	369,360,465			
No adjusted gross income	7	381			298	908	298	908	298	908	298	908			
\$1 under \$1,000					744,167	234,651	744,167	234,651	744,167	234,651	744,167	234,651			
\$1,000 under \$2,000					1,000,300	74,515	1,000,300	74,515	1,000,300	74,515	1,000,300	74,515			
\$2,000 under \$3,000					1,296,314	109,235	1,296,314	109,235	1,296,314	109,235	1,296,314	109,235			
\$3,000 under \$4,000					1,313,354	163,161	1,313,354	163,161	1,313,354	163,161	1,313,354	163,161			
\$4,000 under \$5,000	1,819	440			1,668,516	253,734	1,668,516	253,734	1,668,516	253,734	1,668,516	253,734			
\$5,000 under \$6,000					2,078,947	441,943	2,078,947	441,943	2,078,947	441,943	2,078,947	441,943			
\$6,000 under \$7,000					2,007,393	540,045	2,007,393	540,045	2,007,393	540,045	2,007,393	540,045			
\$7,000 under \$8,000					2,084,478	787,476	2,084,478	787,476	2,084,478	787,476	2,084,478	787,476			
\$8,000 under \$9,000					2,051,755	1,002,271	2,051,755	1,002,271	2,051,755	1,002,271	2,051,755	1,002,271			
\$9,000 under \$10,000	3,144	1,461			2,012,922	1,192,000	2,012,922	1,192,000	2,012,922	1,192,000	2,012,922	1,192,000			
\$10,000 under \$11,000					2,185,954	1,486,806	2,185,954	1,486,806	2,185,954	1,486,806	2,185,954	1,486,806			
\$11,000 under \$12,000	1,822				2,216,053	1,709,943	2,216,053	1,709,943	2,216,053	1,709,943	2,216,053	1,709,943			
\$12,000 under \$13,000					2,313,384	1,940,074	2,313,384	1,940,074	2,313,384	1,940,074	2,313,384	1,940,074			
\$13,000 under \$14,000	1,818				2,450,045	2,271,607	2,450,045	2,271,607	2,450,045	2,271,607	2,450,045	2,271,607			
\$14,000 under \$15,000					2,366,045	2,437,873	2,366,045	2,437,873	2,366,045	2,437,873	2,366,045	2,437,873			
\$15,000 under \$16,000	1,714				2,405,226	2,779,000	2,405,226	2,779,000	2,405,226	2,779,000	2,405,226	2,779,000			
\$16,000 under \$17,000					2,225,127	2,895,783	2,225,127	2,895,783	2,225,127	2,895,783	2,225,127	2,895,783			
\$17,000 under \$18,000	2,980				2,220,132	3,062,636	2,220,132	3,062,636	2,220,132	3,062,636	2,220,132	3,062,636			
\$18,000 under \$19,000	6,760				2,135,161	3,229,586	2,135,161	3,229,586	2,135,161	3,229,586	2,135,161	3,229,586			
\$19,000 under \$20,000	9,959				2,067,355	3,381,337	2,067,355	3,381,337	2,067,355	3,381,337	2,067,355	3,381,337			
\$20,000 under \$25,000	17,762				8,897,677	18,019,795	8,897,677	18,019,795	8,897,677	18,019,795	8,897,677	18,019,795			
\$25,000 under \$30,000	29,480				7,439,380	20,402,425	7,439,380	20,402,425	7,439,380	20,402,425	7,439,380	20,402,425			
\$30,000 under \$35,000	35,747				11,545,239	42,834,127	11,545,239	42,834,127	11,545,239	42,834,127	11,545,239	42,834,127			
\$35,000 under \$40,000	30,933				7,835,716	63,927,030	7,835,716	63,927,030	7,835,716	63,927,030	7,835,716	63,927,030			
\$40,000 under \$45,000	44,088				8,094,139	69,427,030	8,094,139	69,427,030	8,094,139	69,427,030	8,094,139	69,427,030			
\$45,000 under \$50,000	25,022				2,060,116	31,337,076	2,060,116	31,337,076	2,060,116	31,337,076	2,060,116	31,337,076			
\$50,000 under \$55,000	44,887				1,507,304	43,569,718	1,507,304	43,569,718	1,507,304	43,569,718	1,507,304	43,569,718			
\$55,000 under \$60,000	29,546				427,634	32,887,406	427,634	32,887,406	427,634	32,887,406	427,634	32,887,406			
\$60,000 under \$65,000	6,364				74,892	14,721,355	74,892	14,721,355	74,892	14,721,355	74,892	14,721,355			
\$65,000 under \$70,000	5,192														
Nontaxable returns, total	262,271	269,678	1,944	*860	236,398	367,102	—	—	—	—	—	—			

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued

All figures are estimates based on samples—money amounts are in thousands of dollars)												
Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Tax payments			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total		Number of returns	Amount
									Number of returns	Amount		
All returns, total	10,810,723	14,936,462	1,306,570	506,961	957,308	359,138	88,551,492	384,538,143	97,983,088	411,076,700	90,877,273	319,163,468
No adjusted gross income	147,704	183,360	12,097	6,058	2,731	1,383	176,779	371,649	362,024	1,064,710	256,004	533,854
\$1 under \$1,000	91,134	26,765	—	—	22,243	3,197	813,964	47,632	1,678,098	154,780	1,614,425	107,000
\$1,000 under \$2,000	150,281	31,546	1,825	1,626	20,503	5,313	1,123,950	102,909	2,720,303	361,214	2,857,776	326,302
\$2,000 under \$3,000	207,625	59,176	9,096	1,202	36,900	8,729	1,391,742	162,106	2,913,769	608,816	2,811,379	530,858
\$3,000 under \$4,000	221,566	90,996	5,455	796	48,258	15,397	1,475,659	259,131	2,663,783	744,071	2,550,801	672,462
\$4,000 under \$5,000	250,181	111,694	7,516	1,379	73,621	28,893	1,769,827	337,237	2,652,314	920,326	2,533,265	842,761
\$5,000 under \$6,000	254,457	140,925	7,274	1,733	64,960	37,489	2,162,487	556,623	2,619,039	1,200,572	2,422,599	1,040,550
\$6,000 under \$7,000	276,089	160,374	1,822	208	106,757	57,072	2,074,836	652,505	2,547,280	1,456,465	2,338,255	1,271,321
\$7,000 under \$8,000	265,826	171,603	7,275	1,820	94,181	50,877	2,195,299	913,208	2,722,404	1,735,751	2,526,320	1,554,233
\$8,000 under \$9,000	288,573	212,757	10,919	1,274	103,925	49,928	2,182,037	1,168,145	2,677,170	2,026,649	2,402,993	1,799,812
\$9,000 under \$10,000	258,951	204,036	9,521	1,599	93,884	40,888	2,116,115	1,362,850	2,659,919	2,271,030	2,430,961	2,025,807
\$10,000 under \$11,000	281,983	221,473	3,640	597	84,631	23,490	2,268,931	1,585,475	2,658,065	2,528,400	2,358,438	2,207,609
\$11,000 under \$12,000	247,913	197,840	12,747	2,492	78,649	19,297	2,298,455	1,892,249	2,597,575	2,838,461	2,932,448	2,493,572
\$12,000 under \$13,000	241,121	220,860	9,097	1,425	48,123	7,646	2,375,758	2,156,640	2,617,850	3,184,655	2,330,610	2,739,392
\$13,000 under \$14,000	218,602	208,370	10,906	2,917	42,702	6,413	2,506,569	2,474,180	2,569,508	3,476,534	2,304,139	3,028,059
\$14,000 under \$15,000	251,885	241,235	22,287	3,782	33,418	3,051	2,419,995	2,676,042	2,435,970	3,624,374	2,215,510	3,199,118
\$15,000 under \$16,000	191,648	165,267	20,919	5,866	*1,822	—	2,422,209	2,949,045	2,427,893	3,936,029	2,239,324	3,515,652
\$16,000 under \$17,000	167,379	165,906	15,937	2,281	—	—	2,244,366	3,063,540	2,230,549	3,994,652	2,022,683	3,517,136
\$17,000 under \$18,000	192,672	202,335	10,914	3,255	—	—	2,241,012	3,268,859	2,238,500	4,273,385	2,036,168	3,761,978
\$18,000 under \$19,000	203,907	211,058	16,836	5,944	—	—	2,149,548	3,444,935	2,161,518	4,497,418	1,958,477	3,918,537
\$19,000 under \$20,000	170,406	207,566	25,541	9,163	—	—	2,092,105	3,596,274	2,075,575	4,578,288	1,914,533	4,065,881
\$20,000 under \$25,000	1,014,895	1,289,961	96,766	24,469	—	—	8,955,527	19,336,865	8,914,797	24,091,038	8,325,663	21,477,958
\$25,000 under \$30,000	857,917	1,134,179	120,166	31,246	—	—	7,459,766	21,569,607	7,397,247	26,012,176	6,938,159	23,390,663
\$30,000 under \$40,000	1,475,291	2,113,042	259,296	83,684	—	—	11,571,431	45,015,441	11,503,022	53,582,542	10,872,443	48,178,149
\$40,000 under \$50,000	972,209	1,755,602	237,913	77,946	—	—	7,848,694	43,193,046	7,802,528	48,677,736	7,397,555	43,206,070
\$50,000 under \$75,000	1,080,900	2,467,276	269,004	121,714	—	—	8,102,007	72,480,753	8,056,129	74,331,705	7,562,195	63,556,116
\$75,000 under \$100,000	349,671	1,039,564	63,452	58,080	—	—	2,062,105	32,385,572	2,047,894	31,058,773	1,841,310	23,738,677
\$100,000 under \$200,000	357,736	1,278,484	32,032	38,518	—	—	1,510,941	44,775,791	1,495,986	40,032,029	1,252,412	24,891,097
\$200,000 under \$500,000	99,183	349,091	5,524	11,713	—	—	429,212	33,371,671	426,757	29,459,292	345,799	16,092,272
\$500,000 under \$1,000,000	15,646	52,978	529	2,978	—	—	75,268	14,816,749	74,890	12,930,368	59,862	5,910,374
\$1,000,000 or more	7,442	23,770	270	1,196	—	—	34,878	24,551,414	34,732	21,424,458	27,767	5,570,200
Taxable returns, total	8,601,127	13,302,085	1,243,401	488,890	957,308	359,138	86,723,796	383,204,877	82,466,152	403,444,924	76,417,848	313,181,837
No adjusted gross income	2,151	5,898	92	447	—	—	8,388	163,349	6,420	210,815	5,213	78,255
\$1 under \$1,000	1,822	*148	—	—	—	—	744,168	23,813	165,481	8,649	149,109	6,369
\$1,000 under \$2,000	19,503	2,633	—	—	—	—	1,006,300	77,107	511,330	59,716	467,690	43,072
\$2,000 under \$3,000	20,795	3,866	—	—	—	—	1,226,315	113,036	912,322	176,239	883,228	157,575
\$3,000 under \$4,000	23,668	5,878	—	—	—	—	1,313,280	189,097	1,110,111	289,365	1,068,291	273,202
\$4,000 under \$5,000	99,141	42,447	1,818	*44	—	—	1,668,518	295,109	1,425,695	540,876	1,363,126	510,594
\$5,000 under \$6,000	128,270	60,264	*3,638	*846	—	—	2,079,418	512,030	1,800,289	878,685	1,711,622	806,215
\$6,000 under \$7,000	122,991	69,218	1,822	*208	—	—	2,008,103	618,060	1,733,377	1,062,739	1,601,011	942,125
\$7,000 under \$8,000	115,085	74,529	*7,275	*1,820	—	—	2,084,563	865,275	1,857,742	1,322,240	1,709,689	1,195,558
\$8,000 under \$9,000	120,894	85,558	*3,638	*828	—	—	2,051,853	1,089,857	1,866,913	1,549,442	1,689,743	1,407,488
\$9,000 under \$10,000	130,260	103,245	*5,455	*1,049	—	—	2,103,020	1,301,062	1,969,857	1,781,242	1,697,962	1,587,028
\$10,000 under \$11,000	173,952	132,817	*3,640	*597	—	—	2,185,955	1,520,039	1,998,633	2,034,718	1,742,201	1,763,879
\$11,000 under \$12,000	151,466	121,428	12,747	*2,492	—	—	2,216,053	1,834,779	2,064,686	2,409,844	1,830,131	2,105,699
\$12,000 under \$13,000	169,357	156,559	*7,278	*1,384	—	—	2,233,483	2,099,713	2,202,074	2,776,879	1,946,290	2,412,251
\$13,000 under \$14,000	162,679	142,975	*10,906	*2,917	—	—	2,450,646	2,415,051	2,336,263	3,262,600	2,100,799	2,845,441
\$14,000 under \$15,000	200,225	182,965	18,650	3,416	—	—	2,366,517	2,620,457	2,278,302	3,460,016	2,072,323	3,069,024
\$15,000 under \$16,000	176,489	148,520	19,097	4,277	—	—	2,405,227	2,930,775	2,352,042	3,840,506	2,167,713	3,426,036
\$16,000 under \$17,000	148,720	144,094	*15,937	*2,281	—	—	2,235,727	3,041,728	2,164,819	3,906,448	1,967,101	3,458,873
\$17,000 under \$18,000	171,744	178,538	10,914	*3,255	—	—	2,220,134	3,245,162	2,175,107	4,211,023	1,983,405	3,718,801
\$18,000 under \$19,000	189,604	195,459	16,836	5,944	—	—	2,135,245	3,429,335	2,104,910	4,415,306	1,909,952	3,856,600
\$19,000 under \$20,000	147,678	170,189	25,541	9,163	—	—	2,067,559	3,557,770	2,032,113	4,502,120	1,861,559	4,024,635
\$20,000 under \$25,000	962,720	1,185,294	94,232	23,571	—	—	8,900,581	19,230,959	8,778,323	23,791,418	8,217,421	21,276,739
\$25,000 under \$30,000	841,486	1,110,633	118,779	31,233	—	—	7,440,040	21,545,619	7,357,172	25,905,991	6,909,876	23,324,042
\$30,000 under \$40,000	1,451,376	2,058,611	259,296	83,684	—	—	11,548,297	44,960,547	11,458,297	53,370,277	10,844,400	48,074,226
\$40,000 under \$50,000	964,193	1,729,116	235,968	76,752	—	—	7,839,002	43,164,540	7,782,992	48,593,645	7,380,285	43,142,190
\$50,000 under \$75,000	1,075,903	2,451,203	268,868	121,575	—	—	8,096,798	72,463,790	8,044,378	74,255,430	7,553,601	63,502,904
\$75,000 under \$100,000	349,591	1,039,248	63,154	57,677	—	—	2,061,641	32,384,853	2,047,144	31,051,771	1,840,702	23,734,814
\$100,000 under \$200,000	357,268	1,277,142	31,514	37,735	—	—	1,509,910	44,773,215	1,493,618	40,005,715	1,250,358	24,874,491
\$200,000 under \$500,000	99,053	348,640	5,511	11,648	—	—	429,035	33,371,057	426,289	29,441,374	345,517	16,087,418
\$500,000 under \$1,000,000	15,624	51,190	795	*4,046	—	—	75,228	14,816,581	74,796	12,923,096	59,808	5,907,792
\$1,000,000 or more	7,419	23,681	270	1,196	—	—	34,847	24,551,110	34,657	21,406,737	27,722	5,568,498
Non-taxable returns, total	2,209,596	1,634,378	83									

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Individual Returns/1987

Size of adjusted gross income	Taxpayments—continued				Earned income credit refundable portion		Total		Overpayment		Credited to 1988 estimated tax	
	Estimated tax payments		All other taxpayments 1		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(137)	(138)	(139)	(140)								
All returns, total	12,154,648	74,058,280	3,006,882	17,848,650	6,475,519	2,329,523	79,804,878	79,105,896	69,627,753	77,508,482	4,448,257	9,481,144
No adjusted gross income	73 892	385,945	87 185	143,415	3 464	823	321 482	859 364	739 119	292 884	42 387	120 245
\$1,000 under \$1,000	44 746	43 192	21 073	4 588	184 097	17 623	1 686 656	156 073	156 073	1 681 193	18 277	2 051
\$1,000 under \$2,000	37 589	27 761	32 461	7 152	325 942	62 818	2 678 515	402 506	2 669 287	395 977	22 427	6 529
\$2,000 under \$3,000	72 934	63 589	47 555	13 398	425 579	133 298	2 834 796	688 750	662 073	2 821 731	22 167	26 678
\$3,000 under \$4,000	106 320	54 716	37 158	16 511	377 877	160 245	2 509 518	770 170	2 480 823	770 170	20 237	749 933
\$4,000 under \$5,000	122 725	66 506	25 343	11 059	518 240	276 163	2 514 774	993 246	2 482 771	971 150	45 885	22 096
\$5,000 under \$6,000	203 018	127 731	37 164	32 291	539 081	363 155	2 397 128	1 181 680	1 162 635	2 372 533	53 690	19 046
\$6,000 under \$7,000	212 846	163 281	37 079	21 863	622 284	447 471	2 380 109	1 393 227	1 353 706	2 333 200	101 005	41 521
\$7,000 under \$8,000	225 967	169 130	32 866	16 119	620 119	416 175	2 492 486	1 428 725	1 399 350	2 463 292	83 251	29 374
\$8,000 under \$9,000	307 267	216 296	35 041	10 541	580 938	337 080	2 438 975	1 423 486	1 387 293	2 383 232	111 562	36 193
\$9,000 under \$10,000	286 094	227 634	30 702	57 673	576 973	268 287	2 403 175	1 405 156	1 371 023	2 368 513	99 487	34 133
\$10,000 under \$11,000	349 079	293 077	45 101	27 715	593 722	221 336	2 351 290	1 407 657	1 360 441	2 315 831	116 554	47 216
\$11,000 under \$12,000	339 446	326 569	29 779	18 321	441 775	120 717	2 232 736	1 327 138	1 278 577	2 181 131	119 375	48 561
\$12,000 under \$13,000	368 118	408 123	37 626	37 140	349 973	67 252	2 250 737	1 377 535	1 320 175	2 199 145	137 110	57 360
\$13,000 under \$14,000	350 976	403 586	45 396	44 889	182 281	27 351	2 242 200	1 326 526	1 256 017	2 176 244	171 784	72 622
\$14,000 under \$15,000	326 179	404 594	36 681	20 662	108 152	9 064	2 074 923	1 271 676	1 210 645	2 023 111	118 956	61 031
\$15,000 under \$16,000	305 441	388 891	31 044	31 486	25 022	664	2 050 724	1 262 231	1 208 193	2 001 026	111 539	54 038
\$16,000 under \$17,000	301 030	469 109	24 439	8 407	—	—	1 855 904	1 197 365	1 128 863	1 818 052	105 587	68 502
\$17,000 under \$18,000	305 501	499 378	19 408	12 028	—	—	1 912 148	1 273 312	1 204 376	1 867 264	110 777	68 937
\$18,000 under \$19,000	315 003	564 353	43 790	14 521	—	—	1 793 733	1 326 526	1 256 017	1 793 733	120 749	70 509
\$19,000 under \$20,000	252 451	494 643	26 214	17 764	—	—	1 720 994	1 267 800	1 192 010	1 682 269	96 920	75 790
\$20,000 under \$25,000	1 128 437	2 458 820	161 174	153 988	—	—	7 228 817	6 336 769	6 037 283	7 052 516	385 074	299 485
\$25,000 under \$30,000	870 522	2 484 162	142 978	137 349	—	—	5 870 801	6 087 214	5 790 404	5 828 612	290 713	296 810
\$30,000 under \$40,000	1 401 886	5 123 966	248 571	280 427	—	—	9 165 447	10 857 529	11 255 389	9 820 129	506 689	602 140
\$40,000 under \$50,000	1 007 609	5 164 451	255 360	306 801	—	—	5 725 962	8 932 234	8 340 381	4 564 435	395 226	591 853
\$50,000 under \$75,000	1 330 368	6 553 610	639 688	1 221 437	—	—	4 840 137	9 380 940	8 332 549	4 564 435	453 417	1 048 391
\$75,000 under \$100,000	568 403	6 408 910	293 458	910 887	—	—	984 010	3 197 238	2 491 981	875 481	197 777	705 257
\$100,000 under \$200,000	640 903	12 655 262	327 224	2 485 262	—	—	6 165 530	3 718 810	2 338 651	4 737 077	239 177	1 380 160
\$200,000 under \$500,000	228 427	10 015 391	129 594	3 351 165	—	—	178 966	2 565 553	1 266 963	115 181	95 196	1 296 590
\$500,000 under \$1,000,000	46 518	4 893 659	30 310	2 125 724	—	—	33 583	1 197 558	176 267	18 176	721 291	21 685
\$1,000,000 or more	25 133	9 501 948	17 420	6 350 614	—	—	17 602	2 108 185	551 666	7 072	13 733	1 556 499
Taxable returns, total	11,149,550	72,660,280	2,604,144	17,596,483	6,475,519	2,329,523	64,032,358	69,121,235	59,996,184	62,508,184	4,082,501	9,125,051
No adjusted gross income	1 688	62 342	2 380	70 207	—	—	3 893	87 701	57 262	3 040	1 515	30 439
\$1,000 under \$1,000	9 097	1 032	7 275	1 248	—	—	132 746	6 360	5 945	132 746	9 098	415
\$1,000 under \$2,000	25 457	12 790	21 821	3 853	—	—	407 763	45 303	42 638	407 763	18 183	2 666
\$2,000 under \$3,000	20 431	13 969	16 367	5 005	—	—	798 275	137 708	135 801	798 275	5 456	1 907
\$3,000 under \$4,000	23 638	7 056	14 547	9 107	—	—	911 037	176 071	170 965	905 581	10 910	5 106
\$4,000 under \$5,000	48 457	25 511	7 704	4 772	—	—	1 224 434	352 641	346 468	1 209 587	25 761	6 173
\$5,000 under \$6,000	100 096	62 996	19 535	9 474	—	—	1 525 301	517 902	509 888	1 508 894	36 415	8 014
\$6,000 under \$7,000	147 334	108 971	14 125	11 642	—	—	1 508 876	572 586	552 117	1 480 207	71 418	20 469
\$7,000 under \$8,000	166 345	118 137	19 837	8 546	—	—	1 606 056	618 873	598 088	1 586 046	64 058	20 785
\$8,000 under \$9,000	213 649	139 612	11 350	2 342	—	—	1 615 082	643 907	625 204	1 585 980	67 401	18 704
\$9,000 under \$10,000	217 036	183 397	19 109	10 816	—	—	1 620 777	668 897	641 119	1 595 214	78 793	27 778
\$10,000 under \$11,000	298 757	248 125	33 852	22 716	—	—	1 671 762	721 566	683 411	1 641 770	103 089	38 155
\$11,000 under \$12,000	301 460	291 777	18 549	12 368	—	—	1 720 111	806 718	764 255	1 672 390	109 556	42 463
\$12,000 under \$13,000	332 808	343 251	24 006	21 378	—	—	1 846 954	927 910	879 807	1 801 973	122 318	48 104
\$13,000 under \$14,000	330 047	379 147	27 666	38 012	—	—	2 007 113	1 094 008	1 026 607	1 946 621	155 886	67 401
\$14,000 under \$15,000	302 045	375 342	28 630	15 650	—	—	1 919 098	1 119 591	1 071 399	1 875 500	105 839	48 192
\$15,000 under \$16,000	300 296	383 376	29 221	31 094	—	—	1 980 698	1 172 851	1 119 962	1 931 240	108 571	52 889
\$16,000 under \$17,000	289 507	440 079	22 617	7 496	—	—	1 796 363	1 119 002	1 057 858	1 796 363	102 719	61 144
\$17,000 under \$18,000	293 854	480 314	16 291	11 906	—	—	1 857 339	1 227 390	1 185 182	1 857 339	108 050	68 352
\$18,000 under \$19,000	309 990	550 955	31 355	7 744	—	—	1 741 475	1 256 072	1 188 849	1 741 475	117 558	67 545
\$19,000 under \$20,000	238 628	460 142	25 708	17 343	—	—	1 682 024	1 217 079	1 154 315	1 650 678	86 167	62 764
\$20,000 under \$25,000	1 093 602	2 375 819	141 336	138 592	—	—	7 118 799	6 088 812	5 803 353	6 946 829	373 398	285 459
\$25,000 under \$30,000	859 288	2 446 552	133 060	135 394	—	—	5 835 747	5 989 086	5 703 071	5 706 273	264 801	286 015
\$30,000 under \$40,000	1 388 799	5 029 282	230 824	266 769	—	—	9 132 369	11 663 622	11 077 622	8 990 601	502 232	586 000
\$40,000 under \$50,000	1 002 503	5 144 859	253 720	306 202	—	—	5 709 857	8 860 691	8 273 978	5 473 977	393 564	586 713
\$50,000 under \$75,000	1 326 383	9 540 528	636 105	1 211 519	—	—	4 829 099	9 314 947	8 273 908	4 554 110	451 002	1 041 339
\$75,000 under \$100,000	566 216	6 406 741	293 214	909 918	—	—	983 284	3 190 620	2 485 492	874 791	197 719	705 128
\$100,000 under \$200,000	640 411	12 646 811	248 316	2 484 316	—	—	614 489	3 694 062	2 319 331	471 902	238 283	1 374 731
\$200,000 under \$500,000	228 171	10 004 433	129 978	3 349 061	—	—	178 532	2 548 068	1 255 012	114 825	95 057	1 293 056
\$500,000 under \$1,000,000	46 465	4 899 526	30 286	2 125 168	—	—	33 494	1 190 432	18 110	471 609	21 656	718 823
\$1,000,000 or more	25 092	9 487 717	17 390	6 348 828	—	—	17 527	2 090 758	542 435	7 019	13 701	1 548 323
Nontaxable returns, total	1,005,098	1,398,000	402,738	250,166	6,475,519	2,329,523	15,772,520	9,987,662	9,631,566	15,558,318	365,753	356,093

Table 1.4—All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax due at time of filing		Predetermined estimated tax penalty		Type of return					
	Number of returns	Amount	Number of returns	Amount	Form 1040		Form 1040A		Form 1040EZ	
					Number of returns	Adjusted gross income less deficit	Number of returns	Adjusted gross income less deficit	Number of returns	Adjusted gross income less deficit
(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)	(158)	
All returns, total	23,776,240	49,921,337	2,340,709	279,904	71,032,103	2,358,780,940	17,446,685	251,591,353	18,517,482	163,451,905
No adjusted gross income	108,824	167,008	15,223	1,528	841,509	-39,903,703	—	—	—	—
\$1 under \$1,000	663,847	31,339	1,818	38	1,100,582	688,058	520,053	332,081	1,229,235	722,835
\$1,000 under \$2,000	701,487	81,448	1,822	66	1,150,797	1,745,679	692,820	1,028,535	1,843,869	2,756,361
\$2,000 under \$3,000	550,229	108,942	9,091	200	1,327,868	3,317,155	712,798	1,796,549	1,705,650	4,250,293
\$3,000 under \$4,000	517,223	126,211	25,951	1,226	1,313,033	4,603,133	627,333	2,202,360	1,412,875	4,913,374
\$4,000 under \$5,000	507,977	134,507	16,628	515	1,408,562	6,360,169	703,724	3,157,363	1,225,563	5,489,537
\$5,000 under \$6,000	609,014	176,349	43,914	1,773	1,464,530	8,061,084	751,033	4,139,299	1,091,026	5,980,465
\$6,000 under \$7,000	542,216	144,392	18,195	596	1,473,533	9,580,047	729,177	4,737,164	912,833	5,915,819
\$7,000 under \$8,000	551,640	191,128	25,580	1,121	1,601,096	12,007,923	723,725	5,430,440	880,098	6,580,117
\$8,000 under \$9,000	507,011	229,317	37,184	1,415	1,540,563	13,110,684	743,733	6,334,210	811,019	6,905,314
\$9,000 under \$10,000	459,173	231,012	45,457	2,323	1,451,266	13,757,158	736,446	6,981,877	787,363	7,469,860
\$10,000 under \$11,000	554,197	244,980	31,901	1,229	1,484,083	15,567,644	816,881	8,567,768	862,803	6,843,541
\$11,000 under \$12,000	539,362	261,981	37,320	1,772	1,469,259	16,916,164	674,603	7,755,085	665,533	7,636,918
\$12,000 under \$13,000	493,090	284,887	51,453	2,619	1,470,543	18,394,837	656,447	8,208,392	643,709	8,040,458
\$13,000 under \$14,000	477,173	283,985	52,334	2,447	1,487,420	20,085,354	649,157	8,743,358	596,436	8,046,001
\$14,000 under \$15,000	473,641	316,888	56,411	2,360	1,413,948	20,483,035	625,557	9,069,248	520,058	7,542,302
\$15,000 under \$16,000	433,081	277,099	42,323	2,516	1,432,094	22,177,046	614,617	9,518,320	452,772	7,018,179
\$16,000 under \$17,000	437,830	268,294	51,422	2,040	1,362,816	22,504,484	494,595	8,143,055	443,688	7,319,482
\$17,000 under \$18,000	372,285	271,687	49,074	2,901	1,351,553	23,652,347	567,778	9,930,483	372,775	6,512,289
\$18,000 under \$19,000	396,301	276,452	31,335	2,410	1,384,514	25,596,585	465,506	8,622,528	345,495	6,383,733
\$19,000 under \$20,000	392,754	287,956	41,956	2,170	1,359,571	26,516,435	483,695	9,428,528	278,214	5,416,067
\$20,000 under \$25,000	1,804,962	1,598,636	233,589	16,040	6,303,840	141,859,653	1,793,675	40,046,112	958,294	21,190,858
\$25,000 under \$30,000	1,605,691	1,659,660	171,329	14,415	5,909,638	162,356,649	1,145,321	31,285,635	439,868	11,909,220
\$30,000 under \$40,000	2,424,031	3,316,192	310,523	25,763	10,262,808	356,857,493	1,127,437	38,509,629	214,399	7,133,495
\$40,000 under \$50,000	1,126,980	3,473,072	235,916	25,527	7,498,072	334,509,627	333,014	14,533,144	31,815	1,366,976
\$50,000 under \$75,000	3,254,332	7,567,803	327,807	37,815	8,050,795	480,844,469	57,560	3,070,190	2,092	108,413
\$75,000 under \$100,000	1,074,906	4,544,805	132,242	20,767	2,064,189	175,453,698	—	—	—	—
\$100,000 under \$200,000	889,504	8,507,554	171,390	44,982	1,513,654	200,973,127	—	—	—	—
\$200,000 under \$500,000	248,819	6,512,555	56,715	34,623	124,073,791	85,732,872	—	—	—	—
\$500,000 under \$1,000,000	41,504	3,096,726	10,141	12,775	50,898,244	—	—	—	—	—
\$1,000,000 or more	17,156	5,249,071	4,665	13,930	34,944	—	—	—	—	—
Taxable returns, total	22,570,782	49,152,712	2,194,414	271,263	61,179,056	2,331,132,606	11,707,794	215,384,933	13,836,946	154,260,704
No adjusted gross income	4,487	40,965	1,033	729	8,388	-3,199,074	—	—	—	—
\$1 under \$1,000	609,604	21,562	1,818	38	1,100,582	688,058	520,053	332,081	1,229,235	722,835
\$1,000 under \$2,000	596,268	62,695	1,822	66	1,150,797	1,745,679	692,820	1,028,535	1,843,869	2,756,361
\$2,000 under \$3,000	424,403	74,607	9,091	200	1,327,868	3,317,155	712,798	1,796,549	1,705,650	4,250,293
\$3,000 under \$4,000	400,425	76,203	25,951	1,226	1,313,033	4,603,133	627,333	2,202,360	1,412,875	4,913,374
\$4,000 under \$5,000	436,809	107,263	16,628	515	1,408,562	6,360,169	703,724	3,157,363	1,225,563	5,489,537
\$5,000 under \$6,000	552,299	152,768	38,208	1,521	1,464,530	8,061,084	751,033	4,139,299	1,091,026	5,980,465
\$6,000 under \$7,000	497,408	128,341	10,905	434	1,473,533	9,580,047	729,177	4,737,164	912,833	5,915,819
\$7,000 under \$8,000	473,051	162,553	18,208	645	1,601,096	12,007,923	723,725	5,430,440	880,098	6,580,117
\$8,000 under \$9,000	431,316	185,635	33,540	1,313	1,540,563	13,110,684	743,733	6,334,210	811,019	6,905,314
\$9,000 under \$10,000	392,243	190,190	30,939	1,473	1,451,266	13,757,158	736,446	6,981,877	787,363	7,469,860
\$10,000 under \$11,000	508,738	277,715	22,744	828	1,110,864	11,667,830	422,288	4,435,315	652,803	6,843,541
\$11,000 under \$12,000	490,486	232,904	26,387	1,251	1,150,486	13,237,553	400,034	4,603,925	665,533	7,636,918
\$12,000 under \$13,000	461,072	252,979	39,191	2,235	1,218,087	15,254,798	450,967	5,651,658	643,709	8,040,458
\$13,000 under \$14,000	441,711	248,500	46,398	2,041	1,312,336	17,722,108	541,874	7,303,007	596,436	8,046,001
\$14,000 under \$15,000	443,777	282,150	47,300	1,868	1,275,458	18,488,310	571,001	8,298,697	520,058	7,542,302
\$15,000 under \$16,000	420,889	265,264	38,682	2,145	1,368,750	21,200,374	583,705	9,040,235	452,772	7,018,179
\$16,000 under \$17,000	427,360	255,912	46,848	1,629	1,309,262	21,622,160	472,777	7,786,160	443,688	7,319,482
\$17,000 under \$18,000	362,795	264,352	48,169	2,824	1,286,855	22,520,436	560,504	9,804,010	372,775	6,512,289
\$18,000 under \$19,000	391,951	272,509	30,866	2,408	1,331,519	24,616,987	458,231	8,488,058	345,495	6,383,733
\$19,000 under \$20,000	383,717	274,898	41,956	2,170	1,309,286	25,534,582	480,059	9,358,384	278,214	5,416,067
\$20,000 under \$25,000	1,771,732	1,543,445	223,109	15,092	6,303,840	141,859,653	1,784,582	39,849,406	958,294	21,190,858
\$25,000 under \$30,000	1,595,994	1,642,640	168,810	13,926	5,954,851	160,853,818	1,145,321	31,285,635	439,868	11,909,220
\$30,000 under \$40,000	2,406,958	3,279,561	309,094	25,669	10,204,406	354,893,228	1,127,437	38,509,629	214,399	7,133,495
\$40,000 under \$50,000	1,212,674	3,456,953	233,396	25,367	7,474,173	333,447,966	333,014	14,533,144	31,815	1,366,976
\$50,000 under \$75,000	3,252,438	7,567,021	327,381	37,721	8,037,146	480,026,006	57,560	3,070,190	2,092	108,413
\$75,000 under \$100,000	1,074,577	4,544,460	132,237	20,758	2,061,641	175,234,447	—	—	—	—
\$100,000 under \$200,000	889,174	8,506,527	171,145	44,965	1,509,910	200,486,828	—	—	—	—
\$200,000 under \$500,000	248,757	6,512,368	56,686	34,617	123,887,946	85,732,872	—	—	—	—
\$500,000 under \$1,000,000	41,497	3,096,704	10,138	12,774	50,814,606	—	—	—	—	—
\$1,000,000 or more	17,152	5,249,060	4,660	13,930	34,847	—	—	—	—	—
Non taxable returns, total	1,205,458	768,625	146,295	8,641	9,855,047	27,648,334	5,738,891	36,206,420	4,680,536	9,191,201

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Taxable interest received		Standard deduction		Exemptions	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	18,517,482	163,451,905	18,482,934	162,940,170	6,300,323	511,735	18,369,240	43,617,689	13,385,993	25,310,155
Under \$1,000	1,229,235	722,835	1,194,687	697,811	280,028	25,024	1,216,507	1,507,520	392,785	735,564
\$1,000 under \$2,000	1,843,869	2,756,361	1,843,869	2,716,929	514,613	39,432	1,838,413	3,385,579	674,631	1,277,325
\$2,000 under \$3,000	1,705,650	4,250,293	1,705,650	4,213,304	509,154	36,989	1,674,738	4,080,052	710,993	1,325,175
\$3,000 under \$4,000	1,412,875	4,913,374	1,412,875	4,880,980	445,507	32,394	1,398,327	3,551,751	670,966	1,262,761
\$4,000 under \$5,000	1,225,563	5,489,537	1,225,563	5,463,521	372,751	26,016	1,212,834	3,080,598	758,245	1,429,937
\$5,000 under \$6,000	1,091,026	5,980,465	1,091,026	5,951,770	347,303	28,695	1,085,571	2,757,350	741,908	1,405,007
\$6,000 under \$7,000	912,833	5,915,819	912,833	5,896,550	283,666	19,269	911,015	2,313,978	698,262	1,325,207
\$7,000 under \$8,000	880,098	6,580,117	880,098	6,560,418	272,751	19,699	871,007	2,212,358	741,902	1,402,159
\$8,000 under \$9,000	811,019	6,905,314	811,019	6,892,071	209,127	13,243	807,381	2,050,748	745,556	1,413,573
\$9,000 under \$10,000	787,363	7,469,860	787,363	7,450,289	256,580	19,570	778,269	1,976,803	741,902	1,402,157
\$10,000 under \$11,000	652,803	6,843,541	652,803	6,825,411	214,573	18,129	649,166	1,648,882	610,980	1,157,734
\$11,000 under \$12,000	665,533	7,636,918	665,533	7,620,290	247,309	16,628	661,897	1,681,218	643,710	1,220,067
\$12,000 under \$13,000	643,709	8,040,458	643,709	8,025,698	238,211	14,760	638,254	1,621,165	632,798	1,197,770
\$13,000 under \$14,000	596,436	8,046,001	596,436	8,029,215	221,843	16,786	590,982	1,501,094	580,070	1,097,588
\$14,000 under \$15,000	520,058	7,542,302	520,058	7,522,349	216,383	19,953	518,239	1,316,327	514,603	976,254
\$15,000 under \$16,000	452,772	7,018,179	452,772	7,003,731	192,748	14,449	449,134	1,140,800	447,316	846,844
\$16,000 under \$17,000	443,688	7,319,482	443,688	7,305,212	183,661	14,270	436,414	1,108,492	441,870	833,588
\$17,000 under \$18,000	372,775	6,512,289	372,775	6,498,987	147,297	13,301	369,139	937,613	369,138	698,308
\$18,000 under \$19,000	345,495	6,383,733	345,495	6,370,858	156,381	12,875	343,676	872,937	345,495	654,949
\$19,000 under \$20,000	278,214	5,416,067	278,214	5,405,286	121,832	10,782	278,214	706,664	278,214	528,607
\$20,000 under \$25,000	958,294	21,190,858	958,294	21,142,621	454,591	48,236	954,656	2,424,826	956,475	1,814,319
\$25,000 under \$30,000	439,868	11,909,220	439,868	11,877,935	261,430	31,285	437,101	1,110,237	439,868	833,480
\$30,000 under \$40,000	214,399	7,133,495	214,399	7,115,329	136,939	18,166	214,399	544,573	214,399	407,358
\$40,000 or more	33,907	1,475,389	33,907	1,473,606	17,645	1,783	33,907	86,124	33,907	64,423
Taxable returns, total	13,836,946	154,260,704	13,833,308	153,791,431	5,632,975	469,273	13,750,530	34,237,750	10,611,135	20,089,423
Under \$1,000	116,371	84,299	112,733	70,211	116,371	14,087	116,371	74,532	—	—
\$1,000 under \$2,000	347,319	521,411	347,319	490,406	347,319	31,005	347,319	490,406	—	—
\$2,000 under \$3,000	630,977	1,651,348	630,977	1,623,240	367,316	28,108	630,977	1,526,919	—	—
\$3,000 under \$4,000	743,727	2,577,287	743,727	2,554,214	334,590	23,074	741,909	1,884,449	*1,818	*1,963
\$4,000 under \$5,000	898,262	4,106,854	898,262	4,085,734	289,109	21,120	885,533	2,249,254	430,944	808,065
\$5,000 under \$6,000	1,091,026	5,980,465	1,091,026	5,951,770	347,303	28,695	1,085,571	2,757,350	741,908	1,405,007
\$6,000 under \$7,000	912,833	5,915,819	912,833	5,896,550	283,666	19,269	911,015	2,313,978	698,262	1,325,207
\$7,000 under \$8,000	880,098	6,580,117	880,098	6,560,418	272,751	19,699	871,007	2,212,358	741,902	1,402,159
\$8,000 under \$9,000	811,019	6,905,314	811,019	6,892,071	209,127	13,243	807,381	2,050,748	745,556	1,413,573
\$9,000 under \$10,000	787,363	7,469,860	787,363	7,450,289	256,580	19,570	778,269	1,976,803	741,902	1,402,157
\$10,000 under \$11,000	652,803	6,843,541	652,803	6,825,411	214,573	18,129	649,166	1,648,882	610,980	1,157,734
\$11,000 under \$12,000	665,533	7,636,918	665,533	7,620,290	247,309	16,628	661,897	1,681,218	643,710	1,220,067
\$12,000 under \$13,000	643,709	8,040,458	643,709	8,025,698	238,211	14,760	638,254	1,621,165	632,798	1,197,770
\$13,000 under \$14,000	596,436	8,046,001	596,436	8,029,215	221,843	16,786	590,982	1,501,094	580,070	1,097,588
\$14,000 under \$15,000	520,058	7,542,302	520,058	7,522,349	216,383	19,953	518,239	1,316,327	514,603	976,254
\$15,000 under \$16,000	452,772	7,018,179	452,772	7,003,731	192,748	14,449	449,134	1,140,800	447,316	846,844
\$16,000 under \$17,000	443,688	7,319,482	443,688	7,305,212	183,661	14,270	436,414	1,108,492	441,870	833,588
\$17,000 under \$18,000	372,775	6,512,289	372,775	6,498,987	147,297	13,301	369,139	937,613	369,138	698,308
\$18,000 under \$19,000	345,495	6,383,733	345,495	6,370,858	156,381	12,875	343,676	872,937	345,495	654,949
\$19,000 under \$20,000	278,214	5,416,067	278,214	5,405,286	121,832	10,782	278,214	706,664	278,214	528,607
\$20,000 under \$25,000	958,294	21,190,858	958,294	21,142,621	454,591	48,236	954,656	2,424,826	956,475	1,814,319
\$25,000 under \$30,000	439,868	11,909,220	439,868	11,877,935	261,430	31,285	437,101	1,110,237	439,868	833,480
\$30,000 under \$40,000	214,399	7,133,495	214,399	7,115,329	136,939	18,166	214,399	544,573	214,399	407,358
\$40,000 or more	33,907	1,475,389	33,907	1,473,606	17,645	1,783	33,907	86,124	33,907	64,423
Nontaxable returns, total	4,680,536	9,191,201	4,649,626	9,148,739	667,348	42,462	4,618,710	9,379,939	2,774,858	5,220,733

Footnote(s) at end of table

Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxable income		Total income tax		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	13,969,689	100,007,754	13,836,946	15,073,674	17,884,682	20,397,429	16,852,011	5,575,837	1,376,786	251,709
Under \$1,000	136,374	9,814	116,371	1,046	1,085,592	48,306	1,078,318	47,602	34,548	342
\$1,000 under \$2,000	394,598	33,613	347,319	3,349	1,709,306	189,458	1,689,304	187,511	83,645	1,029
\$2,000 under \$3,000	681,890	168,856	630,977	13,442	1,580,178	310,998	1,565,629	299,122	87,286	1,566
\$3,000 under \$4,000	756,457	718,705	743,727	75,133	1,340,138	380,441	1,258,312	314,246	132,745	8,938
\$4,000 under \$5,000	900,080	1,049,541	898,262	114,854	1,163,736	449,206	1,087,368	347,553	123,646	13,201
\$5,000 under \$6,000	1,091,026	1,818,108	1,091,026	213,588	1,056,478	529,275	963,743	334,804	127,283	19,116
\$6,000 under \$7,000	912,833	2,276,633	912,833	275,485	892,829	563,000	825,550	302,135	87,283	14,620
\$7,000 under \$8,000	880,098	2,965,600	880,098	377,519	874,641	668,642	812,820	301,632	67,278	10,509
\$8,000 under \$9,000	811,019	3,440,993	811,019	455,950	803,744	739,500	760,100	292,879	49,101	9,329
\$9,000 under \$10,000	787,363	4,090,900	787,363	552,860	776,453	818,738	734,629	280,269	52,734	14,391
\$10,000 under \$11,000	652,803	4,036,925	652,803	556,886	650,985	776,102	605,526	225,709	43,640	6,493
\$11,000 under \$12,000	665,533	4,735,632	665,533	660,762	661,897	882,762	616,436	233,109	47,279	11,109
\$12,000 under \$13,000	643,709	5,221,522	643,709	734,365	640,071	945,602	590,971	225,093	50,919	13,856
\$13,000 under \$14,000	596,436	5,447,318	596,436	772,055	594,618	981,988	563,706	219,040	32,730	9,107
\$14,000 under \$15,000	520,058	5,249,721	520,058	749,180	518,240	928,632	467,329	192,569	50,910	13,117
\$15,000 under \$16,000	452,772	5,030,534	452,772	720,768	452,772	882,235	416,405	169,415	36,367	7,948
\$16,000 under \$17,000	443,688	5,377,402	443,688	772,839	441,870	936,200	403,681	174,472	40,007	11,111
\$17,000 under \$18,000	372,775	4,876,368	372,775	703,939	370,957	850,015	350,955	152,961	21,820	6,885
\$18,000 under \$19,000	345,495	4,855,483	345,495	703,124	345,495	868,258	332,763	169,367	*12,732	*4,233
\$19,000 under \$20,000	278,214	4,180,797	278,214	606,989	278,214	747,756	267,303	147,875	*10,911	*7,107
\$20,000 under \$25,000	958,294	16,951,712	958,294	2,611,139	958,294	3,141,095	881,924	547,876	76,370	17,920
\$25,000 under \$30,000	439,868	9,965,171	439,868	1,797,006	439,868	2,041,524	381,773	265,119	56,712	20,602
\$30,000 under \$40,000	214,399	6,181,564	214,399	1,278,322	214,399	1,388,653	174,288	126,882	40,111	16,550
\$40,000 or more	33,907	1,324,842	33,907	323,075	33,907	329,044	23,178	18,598	*10,729	*12,630
Taxable returns, total	13,836,946	99,932,836	13,836,946	15,073,674	13,476,899	19,678,881	12,442,410	4,856,916	1,376,786	251,709
Under \$1,000	116,371	9,766	116,371	1,046	89,097	3,589	81,823	2,886	34,548	342
\$1,000 under \$2,000	347,319	31,005	347,319	3,349	283,675	25,401	261,855	23,080	83,645	1,029
\$2,000 under \$3,000	630,977	124,429	630,977	13,442	558,240	109,555	543,691	97,679	87,286	1,566
\$3,000 under \$4,000	743,727	690,875	743,727	75,133	692,808	185,545	610,982	119,350	132,745	8,938
\$4,000 under \$5,000	898,262	1,049,535	898,262	114,854	847,347	335,772	770,979	234,119	123,646	13,201
\$5,000 under \$6,000	1,091,026	1,818,108	1,091,026	213,588	1,056,478	529,275	963,743	334,804	127,283	19,116
\$6,000 under \$7,000	912,833	2,276,633	912,833	275,485	892,829	563,000	825,550	302,135	87,283	14,620
\$7,000 under \$8,000	880,098	2,965,600	880,098	377,519	874,641	668,642	812,820	301,632	67,278	10,509
\$8,000 under \$9,000	811,019	3,440,993	811,019	455,950	803,744	739,500	760,100	292,879	49,101	9,329
\$9,000 under \$10,000	787,363	4,090,900	787,363	552,860	776,453	818,738	734,629	280,269	52,734	14,391
\$10,000 under \$11,000	652,803	4,036,925	652,803	556,886	650,985	776,102	605,526	225,709	43,640	6,493
\$11,000 under \$12,000	665,533	4,735,632	665,533	660,762	661,897	882,762	616,436	233,109	47,279	11,109
\$12,000 under \$13,000	643,709	5,221,522	643,709	734,365	640,071	945,602	590,971	225,093	50,919	13,856
\$13,000 under \$14,000	596,436	5,447,318	596,436	772,055	594,618	981,988	563,706	219,040	32,730	9,107
\$14,000 under \$15,000	520,058	5,249,721	520,058	749,180	518,240	928,632	467,329	192,569	50,910	13,117
\$15,000 under \$16,000	452,772	5,030,534	452,772	720,768	452,772	882,235	416,405	169,415	36,367	7,948
\$16,000 under \$17,000	443,688	5,377,402	443,688	772,839	441,870	936,200	403,681	174,472	40,007	11,111
\$17,000 under \$18,000	372,775	4,876,368	372,775	703,939	370,957	850,015	350,955	152,961	21,820	6,885
\$18,000 under \$19,000	345,495	4,855,483	345,495	703,124	345,495	868,258	332,763	169,367	*12,732	*4,233
\$19,000 under \$20,000	278,214	4,180,797	278,214	606,989	278,214	747,756	267,303	147,875	*10,911	*7,107
\$20,000 under \$25,000	958,294	16,951,712	958,294	2,611,139	958,294	3,141,095	881,924	547,876	76,370	17,920
\$25,000 under \$30,000	439,868	9,965,171	439,868	1,797,006	439,868	2,041,524	381,773	265,119	56,712	20,602
\$30,000 under \$40,000	214,399	6,181,564	214,399	1,278,322	214,399	1,388,653	174,288	126,882	40,111	16,550
\$40,000 or more	33,907	1,324,842	33,907	323,075	33,907	329,044	23,178	18,598	*10,729	*12,630
Nontaxable returns, total	132,743	74,918	—	—	4,407,783	718,548	4,409,601	718,921	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to total because of rounding.

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Tax-exempt interest		Dividends	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	17,446,685	251,591,353	16,934,334	244,682,771	6,203,892	3,877,603	67,006	36,793	1,028,132	455,090
Under \$1,000	520,053	332,081	320,033	183,773	238,208	119,477	*1,819	*1,037	54,546	26,978
\$1,000 under \$2,000	692,820	1,028,535	567,349	807,532	229,117	164,024	*1,818	*20	50,917	29,984
\$2,000 under \$3,000	712,798	1,796,549	665,519	1,529,973	223,659	181,496	—	—	49,096	29,416
\$3,000 under \$4,000	627,333	2,202,360	590,965	1,883,285	190,925	201,383	*1,819	*1,819	41,821	24,473
\$4,000 under \$5,000	703,724	3,157,363	676,450	2,786,557	181,844	201,546	—	—	45,462	28,619
\$5,000 under \$6,000	751,033	4,139,299	721,940	3,674,074	194,576	267,874	—	—	38,186	25,981
\$6,000 under \$7,000	729,177	4,737,164	710,992	4,404,769	158,206	173,578	—	—	23,636	10,277
\$7,000 under \$8,000	723,725	5,430,440	716,450	5,058,511	161,834	131,769	*1,818	*1,125	25,457	13,110
\$8,000 under \$9,000	743,733	6,334,210	731,004	5,939,364	170,932	164,179	*5,456	*16,329	29,095	23,799
\$9,000 under \$10,000	736,446	6,981,877	736,446	6,666,646	170,934	74,515	*1,818	*27	18,186	11,688
\$10,000 under \$11,000	816,881	8,567,768	815,062	8,273,099	232,752	130,816	*3,637	*347	30,912	22,386
\$11,000 under \$12,000	674,603	7,755,085	670,966	7,488,831	138,191	100,887	*1,819	*178	25,454	6,806
\$12,000 under \$13,000	656,447	8,208,392	656,447	8,017,780	163,663	72,051	—	—	20,006	7,605
\$13,000 under \$14,000	649,157	8,743,358	647,339	8,503,918	190,933	100,346	*7,274	*1,197	*16,367	*8,209
\$14,000 under \$15,000	625,557	9,089,248	625,557	8,896,657	218,227	93,047	—	—	27,278	8,673
\$15,000 under \$16,000	614,617	9,518,320	614,617	9,341,119	214,565	79,679	*1,819	*624	23,637	8,840
\$16,000 under \$17,000	494,595	8,143,055	494,595	7,897,555	165,474	113,020	*5,455	*2,620	23,639	5,782
\$17,000 under \$18,000	567,778	9,930,483	567,778	9,764,106	207,301	86,878	*3,637	*305	32,732	14,329
\$18,000 under \$19,000	466,506	8,622,528	465,506	8,508,857	196,387	61,403	*3,636	*418	36,370	9,891
\$19,000 under \$20,000	483,695	9,428,528	483,695	9,286,908	181,847	56,615	*3,638	*4,047	32,731	9,860
\$20,000 under \$25,000	1,793,675	40,046,112	1,793,675	39,517,142	796,249	326,737	*9,093	*2,230	95,063	23,058
\$25,000 under \$30,000	1,145,321	31,285,635	1,145,321	30,895,959	612,777	275,114	*1,383	*14	100,975	36,255
\$30,000 under \$40,000	1,127,437	38,509,629	1,126,054	38,044,185	687,571	457,953	*5,534	*2,482	120,436	41,867
\$40,000 or more	390,574	17,603,334	390,574	17,312,173	277,720	243,217	*5,533	*1,973	66,130	27,205
Taxable returns, total	11,707,794	215,384,933	11,366,374	210,225,399	5,341,969	3,208,155	54,277	16,617	924,482	413,486
Under \$1,000	189,112	141,081	36,370	18,725	176,385	98,364	—	—	43,637	23,992
\$1,000 under \$2,000	172,745	241,461	70,915	82,737	167,289	127,816	—	—	40,004	27,831
\$2,000 under \$3,000	154,554	384,495	136,372	274,021	123,644	91,433	—	—	38,184	22,156
\$3,000 under \$4,000	149,104	520,881	140,012	434,946	98,192	76,368	—	—	23,639	13,205
\$4,000 under \$5,000	183,658	843,940	176,385	706,900	92,741	86,415	—	—	25,458	17,955
\$5,000 under \$6,000	278,217	1,541,448	261,851	1,273,048	114,566	160,567	—	—	32,732	22,513
\$6,000 under \$7,000	247,303	1,610,934	236,392	1,437,291	83,654	101,741	—	—	20,000	8,691
\$7,000 under \$8,000	272,755	2,045,409	267,298	1,828,157	112,736	121,453	—	—	21,819	12,591
\$8,000 under \$9,000	336,406	2,873,024	325,496	2,604,514	114,560	119,099	*1,819	*182	20,002	22,531
\$9,000 under \$10,000	334,586	3,164,808	334,586	2,953,320	123,653	53,305	—	—	*16,368	*11,612
\$10,000 under \$11,000	422,288	4,435,315	420,469	4,228,574	176,380	115,244	*3,637	*347	29,093	22,377
\$11,000 under \$12,000	400,034	4,603,925	396,397	4,435,952	103,645	96,156	*1,819	*178	20,000	6,548
\$12,000 under \$13,000	450,967	5,651,658	450,967	5,506,391	136,385	68,734	—	—	18,188	7,514
\$13,000 under \$14,000	541,874	7,303,007	540,056	7,106,497	176,387	99,430	*7,274	*1,197	*16,367	*8,209
\$14,000 under \$15,000	571,001	8,298,697	571,001	8,122,227	212,772	92,487	—	—	27,278	8,673
\$15,000 under \$16,000	583,705	9,040,235	583,705	8,868,868	210,928	78,895	*1,819	*624	23,637	8,840
\$16,000 under \$17,000	472,777	7,786,160	472,777	7,540,809	163,656	112,993	*5,455	*2,620	23,639	5,782
\$17,000 under \$18,000	560,504	9,804,010	560,504	9,637,634	207,301	86,878	*3,637	*305	32,732	14,329
\$18,000 under \$19,000	458,231	8,488,058	458,231	8,374,475	194,568	61,315	*3,636	*418	36,370	9,891
\$19,000 under \$20,000	480,059	9,358,384	480,059	9,216,865	181,847	56,615	*3,638	*4,047	32,731	9,860
\$20,000 under \$25,000	1,784,582	39,849,406	1,784,582	39,321,131	792,612	326,564	*9,093	*2,230	95,063	23,058
\$25,000 under \$30,000	1,145,321	31,285,635	1,145,321	30,895,959	612,777	275,114	*1,383	*14	100,975	36,255
\$30,000 under \$40,000	1,127,437	38,509,629	1,126,054	38,044,185	687,571	457,953	*5,534	*2,482	120,436	41,867
\$40,000 or more	390,574	17,603,334	390,574	17,312,173	277,720	243,217	*5,533	*1,973	66,130	27,205
Nontaxable returns, total	5,738,891	36,206,420	5,567,960	34,457,372	861,923	669,448	*12,729	*20,176	103,650	41,604

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Statutory adjustments						Basic standard deduction	
	Number of returns	Amount	Total		Primary IRA payments		Secondary IRA payments		Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	2,382,814	3,572,135	699,674	996,247	644,729	853,486	114,348	118,925	17,100,290	50,188,781
Under \$1,000	*7,275	*2,188	*1,819	*335	*1,819	*335	—	—	503,686	763,466
\$1,000 under \$2,000	36,369	26,996	—	—	—	—	—	—	667,364	1,379,108
\$2,000 under \$3,000	54,549	63,471	*5,455	*7,807	*5,455	*7,807	—	—	687,343	1,730,114
\$3,000 under \$4,000	76,373	97,184	*3,638	*3,965	*3,638	*3,965	—	—	610,966	1,584,205
\$4,000 under \$5,000	112,747	147,916	*3,637	*7,274	*3,637	*7,274	—	—	685,544	1,869,712
\$5,000 under \$6,000	130,967	189,873	*12,728	*18,504	*10,909	*14,866	*1,819	*3,638	736,487	2,063,036
\$6,000 under \$7,000	123,654	171,208	*12,727	*22,667	*10,909	*19,031	*1,818	*3,636	716,447	2,019,913
\$7,000 under \$8,000	149,112	244,124	*12,729	*17,074	*10,910	*16,288	*1,819	*786	701,905	1,974,171
\$8,000 under \$9,000	172,749	227,138	*14,548	*20,270	*12,729	*16,159	*1,818	*3,636	720,094	2,071,758
\$9,000 under \$10,000	154,566	249,496	*16,365	*20,468	*16,365	*18,150	*1,818	*2,318	721,898	2,040,339
\$10,000 under \$11,000	103,648	179,508	23,639	38,041	23,639	38,041	—	—	798,696	2,350,387
\$11,000 under \$12,000	120,007	201,223	25,457	42,662	23,639	30,663	*7,272	*11,999	658,240	1,909,291
\$12,000 under \$13,000	83,652	144,010	23,640	33,054	20,003	30,691	*3,637	*2,364	643,719	1,902,903
\$13,000 under \$14,000	92,737	161,414	25,457	30,529	23,638	27,651	*3,636	*2,182	641,883	1,911,761
\$14,000 under \$15,000	90,924	124,228	25,462	33,357	25,462	33,221	*1,819	*136	616,464	1,801,308
\$15,000 under \$16,000	76,376	130,447	25,455	41,764	25,455	40,855	*3,637	*909	603,708	1,818,362
\$16,000 under \$17,000	69,093	147,460	18,185	20,763	*16,366	*20,451	—	—	489,138	1,492,172
\$17,000 under \$18,000	76,376	109,783	34,551	44,614	30,914	42,512	*3,637	*964	558,686	1,695,872
\$18,000 under \$19,000	60,005	85,943	32,732	43,566	32,732	43,566	—	—	460,050	1,413,027
\$19,000 under \$20,000	67,279	92,868	*16,365	*17,723	*16,365	*17,723	—	—	474,602	1,481,084
\$20,000 under \$25,000	212,752	310,989	109,856	131,813	101,198	116,322	*6,919	*10,205	1,771,854	5,759,821
\$25,000 under \$30,000	145,246	231,680	98,209	153,373	91,293	130,472	17,980	18,465	1,131,490	3,828,200
\$30,000 under \$40,000	124,489	167,697	124,497	202,072	112,046	150,827	42,886	45,645	1,113,601	3,921,784
\$40,000 or more	41,869	65,292	32,523	44,553	25,608	26,616	13,833	12,042	386,425	1,406,989
Taxable returns, total	1,620,865	2,488,841	661,488	950,948	615,635	825,343	103,439	102,242	11,490,501	34,093,816
Under \$1,000	—	—	—	—	—	—	—	—	189,112	98,009
\$1,000 under \$2,000	*3,638	*3,078	—	—	—	—	—	—	172,745	135,018
\$2,000 under \$3,000	*1,818	*1,056	*3,637	*4,171	*3,637	*4,171	—	—	154,554	275,117
\$3,000 under \$4,000	—	—	*1,819	*3,638	*1,819	*3,638	—	—	141,829	324,263
\$4,000 under \$5,000	30,911	39,943	*3,637	*7,274	*3,637	*7,274	—	—	176,386	423,812
\$5,000 under \$6,000	63,647	96,413	*7,272	*11,093	*7,272	*11,093	—	—	270,944	687,288
\$6,000 under \$7,000	60,013	78,665	*9,091	*15,455	*9,091	*15,455	—	—	238,211	596,766
\$7,000 under \$8,000	58,189	94,901	*7,273	*11,694	*5,454	*10,908	*1,819	*786	263,664	675,960
\$8,000 under \$9,000	103,648	146,675	*12,729	*19,795	*12,729	*16,159	*1,818	*3,636	321,858	854,467
\$9,000 under \$10,000	94,559	161,483	*10,911	*14,912	*10,911	*14,912	—	—	321,857	864,175
\$10,000 under \$11,000	60,006	103,523	21,820	34,403	21,820	34,403	—	—	409,559	1,146,796
\$11,000 under \$12,000	65,462	98,420	18,185	33,150	18,185	26,424	*3,636	*6,727	385,489	1,044,530
\$12,000 under \$13,000	61,831	100,255	21,822	31,236	20,003	30,691	*1,819	*546	438,239	1,241,184
\$13,000 under \$14,000	72,737	119,400	25,457	30,529	23,638	27,651	*3,636	*2,182	534,600	1,549,472
\$14,000 under \$15,000	80,014	108,667	25,462	33,357	25,462	33,221	*1,819	*136	561,908	1,624,986
\$15,000 under \$16,000	72,738	125,397	25,455	41,764	25,455	40,855	*3,637	*909	572,796	1,717,661
\$16,000 under \$17,000	67,275	147,338	18,185	20,763	*16,366	*20,451	—	—	467,320	1,423,446
\$17,000 under \$18,000	76,376	109,783	34,551	44,614	30,914	42,512	*3,637	*964	551,412	1,672,957
\$18,000 under \$19,000	60,005	85,943	32,732	43,566	32,732	43,566	—	—	452,775	1,387,892
\$19,000 under \$20,000	65,461	92,766	*16,365	*17,723	*16,365	*17,723	—	—	470,966	1,467,412
\$20,000 under \$25,000	210,933	310,465	109,856	131,813	101,198	116,322	*6,919	*10,205	1,762,761	5,725,631
\$25,000 under \$30,000	145,246	231,680	98,209	153,373	91,293	130,472	17,980	18,465	1,131,490	3,828,200
\$30,000 under \$40,000	124,489	167,697	124,497	202,072	112,046	150,827	42,886	45,645	1,113,601	3,921,784
\$40,000 or more	41,869	65,292	32,523	44,553	25,608	26,616	13,833	12,042	386,425	1,406,989
Nontaxable returns, total	761,949	1,083,294	38,186	45,299	29,094	28,142	*10,909	*16,682	5,609,789	16,094,965

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Additional standard deduction		Exemptions		Taxable income		Child care credit		Earned income credit used to offset income tax before credits	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All returns, total	528,261	435,316	40,870,115	76,912,606	13,371,624	136,807,833	2,171,967	939,247	2,123,888	380,980
Under \$1,000	*10,910	*8,728	512,774	955,938	190,930	43,075	—	—	—	—
\$1,000 under \$2,000	27,276	21,003	909,220	1,686,388	183,654	111,158	—	—	—	—
\$2,000 under \$3,000	25,460	22,641	1,125,589	2,086,689	170,917	124,347	—	—	—	—
\$3,000 under \$4,000	25,457	19,911	936,465	1,750,225	158,196	187,885	—	—	*1,818	*236
\$4,000 under \$5,000	41,822	33,003	1,291,072	2,416,677	200,022	240,334	*1,818	*31	*7,274	*236
\$5,000 under \$6,000	56,371	45,279	1,503,914	2,824,163	292,764	468,563	*1,819	*302	*5,455	*615
\$6,000 under \$7,000	45,459	40,640	1,569,288	2,963,606	389,136	621,775	27,275	1,620	116,376	5,701
\$7,000 under \$8,000	29,093	21,547	1,612,940	3,020,545	454,596	1,076,880	56,372	7,485	125,468	19,013
\$8,000 under \$9,000	56,370	48,005	1,665,674	3,122,596	545,529	1,625,898	60,007	13,161	165,481	28,401
\$9,000 under \$10,000	23,642	21,277	1,651,080	3,105,191	594,616	2,087,467	107,283	31,858	198,207	47,967
\$10,000 under \$11,000	30,911	25,366	2,035,202	3,811,600	680,504	2,653,472	105,465	34,516	241,848	63,470
\$11,000 under \$12,000	*16,363	*14,181	1,643,774	3,080,119	605,506	2,888,228	127,288	46,976	236,382	61,842
\$12,000 under \$13,000	*16,368	*12,821	1,600,203	3,006,638	621,894	3,351,626	129,103	51,035	310,946	71,512
\$13,000 under \$14,000	*14,549	*12,276	1,656,539	3,129,022	620,065	3,751,117	120,010	48,698	303,664	53,059
\$14,000 under \$15,000	*12,729	*8,729	1,502,064	2,834,390	609,190	4,466,206	141,846	67,995	292,776	26,057
\$15,000 under \$16,000	*14,547	*12,547	1,585,624	2,976,105	601,889	4,733,585	114,561	59,454	118,193	2,871
\$16,000 under \$17,000	*10,911	*8,729	1,314,655	2,483,984	485,505	4,174,240	92,739	45,858	—	—
\$17,000 under \$18,000	*14,549	*12,003	1,486,073	2,795,207	565,959	5,429,989	100,010	50,627	—	—
\$18,000 under \$19,000	*10,910	*11,183	1,223,781	2,314,744	460,050	4,889,833	101,830	54,564	—	—
\$19,000 under \$20,000	*1,819	*2,183	1,276,501	2,410,221	483,695	5,534,585	76,370	45,286	—	—
\$20,000 under \$25,000	18,184	15,002	4,965,752	9,386,267	1,793,675	24,882,532	329,124	169,080	—	—
\$25,000 under \$30,000	*12,448	*8,921	3,289,368	6,216,910	1,145,321	21,227,703	231,002	102,175	—	—
\$30,000 under \$40,000	*9,683	*7,884	3,332,421	6,305,808	1,127,437	28,272,374	183,971	74,281	—	—
\$40,000 or more	*2,430	*1,458	1,180,142	2,229,574	390,574	13,964,961	64,074	34,245	—	—
Taxable returns, total	270,047	216,562	25,506,357	48,019,279	11,707,794	133,039,877	1,488,253	697,361	978,298	189,876
Under \$1,000	—	—	—	—	189,112	43,072	—	—	—	—
\$1,000 under \$2,000	*1,818	*1,364	—	—	172,745	105,080	—	—	—	—
\$2,000 under \$3,000	—	—	—	—	154,554	109,379	—	—	—	—
\$3,000 under \$4,000	—	—	*12,731	*17,932	149,104	178,686	—	—	—	—
\$4,000 under \$5,000	—	—	109,099	198,053	183,658	222,075	—	—	—	—
\$5,000 under \$6,000	*14,548	*10,911	210,933	393,099	278,217	450,149	—	—	—	—
\$6,000 under \$7,000	23,638	17,729	241,845	450,414	247,303	545,931	—	—	—	—
\$7,000 under \$8,000	*16,365	*12,274	294,577	550,533	272,755	806,642	—	—	—	—
\$8,000 under \$9,000	29,094	21,548	416,420	774,578	336,406	1,222,431	*1,819	*151	—	—
\$9,000 under \$10,000	*9,093	*6,547	449,144	827,770	334,586	1,465,907	*1,818	*491	*14,548	*6,852
\$10,000 under \$11,000	27,275	22,911	665,948	1,239,300	422,288	2,026,308	*3,637	*949	52,731	24,109
\$11,000 under \$12,000	*14,545	*12,818	667,327	1,230,832	400,034	2,315,091	*16,365	*5,732	89,098	34,323
\$12,000 under \$13,000	*14,549	*11,729	841,919	1,565,899	450,967	2,832,845	32,731	10,644	169,112	48,262
\$13,000 under \$14,000	*12,730	*11,185	1,147,403	2,161,663	541,874	3,580,687	81,823	32,763	250,932	47,997
\$14,000 under \$15,000	*10,911	*7,638	1,249,285	2,354,110	571,001	4,309,823	107,294	48,771	283,684	25,462
\$15,000 under \$16,000	*14,547	*12,547	1,418,338	2,658,262	583,705	4,649,917	96,377	48,624	118,193	2,871
\$16,000 under \$17,000	*10,911	*8,729	1,194,661	2,255,995	472,777	4,097,171	80,011	35,485	—	—
\$17,000 under \$18,000	*14,549	*12,003	1,444,244	2,715,732	560,504	5,402,863	94,555	46,940	—	—
\$18,000 under \$19,000	*10,910	*11,183	1,171,039	2,214,534	458,231	4,874,449	100,011	52,434	—	—
\$19,000 under \$20,000	*1,819	*2,183	1,260,139	2,379,133	480,059	5,509,201	72,734	41,906	—	—
\$20,000 under \$25,000	18,184	15,002	4,909,374	9,279,149	1,784,582	24,827,133	320,031	161,770	—	—
\$25,000 under \$30,000	*12,448	*8,921	3,289,368	6,216,910	1,145,321	21,227,703	231,002	102,175	—	—
\$30,000 under \$40,000	*9,683	*7,884	3,332,421	6,305,808	1,127,437	28,272,374	183,971	74,281	—	—
\$40,000 or more	*2,430	*1,458	1,180,142	2,229,574	390,574	13,964,961	64,074	34,245	—	—
Nontaxable returns, total	258,214	218,754	15,363,758	28,893,327	1,663,830	3,767,956	683,714	241,886	1,145,590	191,104

Footnote(s) at end of table

Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after credits		Taxpayments				Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Total		Income tax withheld		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount				
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total	11,707,794	19,014,081	16,286,938	27,334,276	16,286,938	27,334,276	15,369,405	10,821,413	1,744,938	500,157
Under \$1,000	189,112	4,670	258,209	9,757	258,209	9,757	281,846	21,037	170,928	4,271
\$1,000 under \$2,000	172,745	16,687	478,242	49,460	478,242	49,460	516,427	97,330	132,744	15,261
\$2,000 under \$3,000	154,554	14,719	583,691	88,909	583,691	88,909	594,603	181,620	61,820	10,579
\$3,000 under \$4,000	149,104	18,658	527,321	117,977	527,321	117,977	529,138	215,597	56,371	7,792
\$4,000 under \$5,000	183,658	23,880	618,258	174,145	618,258	174,145	643,715	350,240	30,915	4,803
\$5,000 under \$6,000	278,217	51,264	649,162	230,845	649,162	230,845	632,836	447,928	81,831	11,007
\$6,000 under \$7,000	247,303	63,278	670,987	300,543	670,987	300,543	676,438	563,829	34,553	7,745
\$7,000 under \$8,000	272,755	99,692	674,624	357,914	674,624	357,914	658,265	548,683	56,368	15,167
\$8,000 under \$9,000	336,406	155,022	698,274	459,581	698,274	459,581	681,905	538,113	45,463	11,952
\$9,000 under \$10,000	334,586	182,506	716,445	544,340	716,445	544,340	696,438	553,027	36,371	7,114
\$10,000 under \$11,000	422,288	239,489	780,513	654,454	780,513	654,454	760,515	575,847	54,548	13,680
\$11,000 under \$12,000	400,034	267,050	661,874	675,365	661,874	675,365	636,416	491,275	38,187	5,574
\$12,000 under \$13,000	450,967	319,254	649,174	715,955	649,174	715,955	620,079	443,910	34,549	9,679
\$13,000 under \$14,000	541,874	402,997	630,973	776,533	630,973	776,533	598,240	401,828	50,917	12,296
\$14,000 under \$15,000	571,001	515,182	620,103	889,363	620,103	889,363	581,917	390,068	43,640	11,851
\$15,000 under \$16,000	583,705	586,003	614,617	908,384	614,617	908,384	569,158	334,008	45,459	11,240
\$16,000 under \$17,000	472,777	530,214	490,959	803,315	490,959	803,315	454,590	283,940	38,187	10,838
\$17,000 under \$18,000	560,504	702,633	565,960	1,031,034	565,960	1,031,034	535,046	337,017	32,732	8,617
\$18,000 under \$19,000	458,231	633,784	465,506	911,408	465,506	911,408	423,686	292,183	41,820	14,559
\$19,000 under \$20,000	480,059	735,011	481,876	1,007,822	481,876	1,007,822	425,505	291,732	58,190	18,922
\$20,000 under \$25,000	1,784,582	3,445,914	1,788,221	4,625,037	1,788,221	4,625,037	1,613,139	1,231,030	176,900	51,907
\$25,000 under \$30,000	1,145,321	3,116,912	1,145,321	3,900,557	1,145,321	3,900,557	979,334	837,340	164,603	53,695
\$30,000 under \$40,000	1,127,437	4,394,415	1,126,054	5,385,214	1,126,054	5,385,214	993,259	1,069,027	134,178	78,227
\$40,000 or more	390,574	2,494,848	390,574	2,716,363	390,574	2,716,363	266,910	324,896	123,664	103,381
Taxable returns, total	11,707,794	19,014,081	11,217,265	25,237,571	11,217,265	25,237,571	9,952,380	6,723,399	1,744,938	500,157
Under \$1,000	189,112	4,670	20,003	946	20,003	946	18,184	547	170,928	4,271
\$1,000 under \$2,000	172,745	16,687	58,185	5,051	58,185	5,051	40,001	3,625	132,744	15,261
\$2,000 under \$3,000	154,554	14,719	114,554	18,506	114,554	18,506	90,916	14,366	61,820	10,579
\$3,000 under \$4,000	149,104	18,658	123,646	27,447	123,646	27,447	92,733	16,581	56,371	7,792
\$4,000 under \$5,000	183,658	23,880	165,473	57,731	165,473	57,731	152,743	38,654	30,915	4,803
\$5,000 under \$6,000	278,217	51,264	243,664	103,873	243,664	103,873	196,386	63,616	81,831	11,007
\$6,000 under \$7,000	247,303	63,278	236,392	137,402	236,392	137,402	212,750	81,869	34,553	7,745
\$7,000 under \$8,000	272,755	99,692	258,206	161,435	258,206	161,435	216,387	76,910	56,368	15,167
\$8,000 under \$9,000	336,406	155,022	318,223	256,567	318,223	256,567	289,124	113,497	45,463	11,952
\$9,000 under \$10,000	334,586	182,506	332,768	300,764	332,768	300,764	298,215	125,372	36,371	7,114
\$10,000 under \$11,000	422,288	239,489	411,377	408,933	411,377	408,933	365,922	183,124	54,548	13,680
\$11,000 under \$12,000	400,034	267,050	390,942	464,826	390,942	464,826	361,847	203,350	38,187	5,574
\$12,000 under \$13,000	450,967	319,254	447,331	543,300	447,331	543,300	414,599	233,726	34,549	9,679
\$13,000 under \$14,000	541,874	402,997	536,420	697,248	536,420	697,248	490,957	306,547	50,917	12,296
\$14,000 under \$15,000	571,001	515,182	567,365	833,880	567,365	833,880	527,361	330,300	43,640	11,851
\$15,000 under \$16,000	583,705	586,003	583,705	882,235	583,705	882,235	538,246	307,471	45,459	11,240
\$16,000 under \$17,000	472,777	530,214	470,959	787,189	470,959	787,189	434,590	267,813	38,187	10,838
\$17,000 under \$18,000	560,504	702,633	558,686	1,025,337	558,686	1,025,337	527,772	331,321	32,732	8,617
\$18,000 under \$19,000	458,231	633,784	458,231	903,285	458,231	903,285	416,411	284,060	41,820	14,559
\$19,000 under \$20,000	480,059	735,011	478,240	1,004,142	478,240	1,004,142	421,869	288,053	58,190	18,922
\$20,000 under \$25,000	1,784,582	3,445,914	1,780,946	4,615,339	1,780,946	4,615,339	1,605,864	1,221,332	176,900	51,907
\$25,000 under \$30,000	1,145,321	3,116,912	1,145,321	3,900,557	1,145,321	3,900,557	979,334	837,340	164,603	53,695
\$30,000 under \$40,000	1,127,437	4,394,415	1,126,054	5,385,214	1,126,054	5,385,214	993,259	1,069,027	134,178	78,227
\$40,000 or more	390,574	2,494,848	390,574	2,716,363	390,574	2,716,363	266,910	324,896	123,664	103,381
Nontaxable returns, total	—	—	5,069,673	2,096,704	5,069,673	2,096,704	5,417,025	4,098,014	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Taxable interest received		Tax-exempt interest	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	35,627,790	1,799,047,894	32,039,575	1,376,357,956	30,627,858	88,941,193	2,086,056	24,586,074
Under \$5,000	253,285	773,468	107,797	922,989	202,282	448,616	18,433	79,710
\$5,000 under \$10,000	854,212	6,676,401	393,643	3,259,650	660,157	1,854,061	25,615	173,052
\$10,000 under \$15,000	1,540,642	19,679,761	1,030,685	11,879,363	1,194,211	2,821,827	38,237	199,814
\$15,000 under \$20,000	2,241,796	39,639,297	1,875,726	30,540,823	1,616,532	2,965,180	38,182	141,353
\$20,000 under \$25,000	2,887,779	65,355,532	2,587,666	54,010,755	2,189,906	3,152,973	85,686	626,463
\$25,000 under \$30,000	3,307,096	91,132,391	3,053,464	78,116,879	2,596,623	3,837,526	99,050	867,554
\$30,000 under \$35,000	3,633,324	117,992,502	3,416,161	102,843,605	3,014,019	4,250,791	105,034	572,513
\$35,000 under \$40,000	3,548,321	132,958,270	3,363,040	117,227,880	3,041,517	4,119,431	115,312	489,951
\$40,000 under \$45,000	3,402,752	144,480,356	3,235,965	126,729,372	2,997,120	4,704,760	113,260	434,727
\$45,000 under \$50,000	2,786,336	132,111,306	2,668,592	117,003,048	2,517,837	3,741,443	105,325	581,550
\$50,000 under \$55,000	2,282,312	119,513,770	2,172,888	105,074,331	2,095,427	3,531,863	124,359	638,061
\$55,000 under \$60,000	1,711,406	98,207,178	1,629,671	85,146,916	1,585,643	3,259,975	112,767	862,865
\$60,000 under \$75,000	3,254,869	216,358,270	3,062,186	181,666,473	3,092,936	8,260,034	286,700	3,013,786
\$75,000 under \$100,000	1,950,548	165,810,706	1,783,647	128,452,782	1,888,989	8,047,167	276,677	2,153,009
\$100,000 under \$200,000	1,444,180	191,916,897	1,220,917	121,190,018	1,410,727	12,937,792	336,442	4,445,007
\$200,000 under \$500,000	420,380	121,397,267	347,698	67,057,032	415,815	9,046,971	151,021	4,289,338
\$500,000 under \$1,000,000	73,940	49,993,413	61,047	23,445,694	73,583	4,077,155	35,131	2,270,958
\$1,000,000 or more	34,612	85,053,708	28,782	21,790,347	34,534	7,883,628	18,825	2,746,363
Total taxable returns	33,913,680	1,776,447,746	31,113,087	1,362,814,868	29,215,963	83,492,217	2,010,220	23,741,371
Total nontaxable returns	1,714,110	22,600,148	926,488	13,543,088	1,411,895	5,448,976	75,836	844,703

Size of adjusted gross income	Dividends		State income tax refunds		Alimony received		Business or profession net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	12,461,436	46,033,184	19,293,123	10,173,526	265,388	2,315,163	7,018,061	82,753,576
Under \$5,000	73,390	118,731	63,525	19,424	*1,818	*6,545	103,367	61,734
\$5,000 under \$10,000	222,715	325,470	240,241	68,139	*14,558	*95,021	227,274	966,788
\$10,000 under \$15,000	368,412	746,139	527,622	131,854	34,561	146,197	398,261	2,040,314
\$15,000 under \$20,000	445,704	1,003,294	967,207	279,307	40,008	213,266	452,921	2,184,376
\$20,000 under \$25,000	648,747	1,167,494	1,410,013	424,972	32,807	228,694	604,196	4,068,401
\$25,000 under \$30,000	812,227	1,439,835	1,748,486	545,041	34,483	171,332	628,565	3,748,643
\$30,000 under \$35,000	952,580	1,698,474	2,019,620	701,058	24,181	218,157	640,235	4,022,875
\$35,000 under \$40,000	1,040,281	1,570,910	2,033,975	801,390	16,551	172,702	636,810	4,389,616
\$40,000 under \$45,000	1,092,960	1,649,348	2,053,573	765,757	13,344	123,826	599,907	4,615,896
\$45,000 under \$50,000	925,383	1,566,721	1,673,600	679,522	9,317	123,872	424,414	3,992,731
\$50,000 under \$55,000	868,778	1,571,587	1,341,541	599,091	*7,608	*50,217	359,377	3,620,243
\$55,000 under \$60,000	744,421	1,502,493	1,052,648	493,427	*6,638	*102,811	295,427	3,136,017
\$60,000 under \$75,000	1,608,649	4,044,175	1,968,378	1,174,536	14,356	221,176	638,455	9,432,577
\$75,000 under \$100,000	1,192,434	4,558,888	1,117,280	877,894	8,534	194,702	439,017	9,671,245
\$100,000 under \$200,000	1,022,034	8,318,146	784,827	1,064,255	4,847	97,183	419,853	16,870,991
\$200,000 under \$500,000	346,107	6,560,347	229,047	724,847	1,470	130,869	117,070	6,634,638
\$500,000 under \$1,000,000	65,148	2,871,567	40,902	312,795	233	4,818	21,841	1,625,988
\$1,000,000 or more	31,466	5,319,565	20,638	510,218	74	13,773	11,071	1,670,501
Total taxable returns	11,984,852	44,528,641	18,727,515	9,935,837	244,899	2,176,845	6,405,284	80,089,652
Total nontaxable returns	476,584	1,504,543	565,608	237,688	20,489	138,318	612,777	2,663,924

Size of adjusted gross income	Sales of capital assets reported on Schedule D net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities in AGI		Rent and royalty net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	9,059,422	110,648,520	1,046,080	970,957	6,656,989	55,904,373	2,660,492	19,194,007
Under \$5,000	65,780	64,826	12,071	-43,621	37,598	90,420	30,546	83,620
\$5,000 under \$10,000	192,923	426,545	26,016	51,134	227,790	1,050,234	79,567	231,404
\$10,000 under \$15,000	319,892	579,364	32,308	-10,794	388,696	2,496,908	113,309	345,368
\$15,000 under \$20,000	328,906	763,779	42,719	-81,349	420,395	3,044,878	128,782	412,654
\$20,000 under \$25,000	490,056	691,258	66,307	-103,801	440,293	3,320,269	185,783	476,896
\$25,000 under \$30,000	513,518	951,272	75,112	-10,707	530,241	3,515,990	172,241	513,043
\$30,000 under \$35,000	639,831	1,035,891	79,162	-11,744	578,921	4,240,595	186,066	666,360
\$35,000 under \$40,000	670,967	1,143,791	70,884	-14,507	598,920	4,390,943	190,607	684,250
\$40,000 under \$45,000	671,305	1,662,608	54,360	-26,920	661,980	4,908,288	177,958	647,518
\$45,000 under \$50,000	556,599	1,424,543	48,305	54,886	504,769	3,572,141	184,890	838,753
\$50,000 under \$55,000	583,020	1,595,597	51,238	50,245	430,487	3,447,964	151,091	604,196
\$55,000 under \$60,000	478,830	1,868,856	34,669	20,118	331,686	2,695,376	113,957	552,695
\$60,000 under \$75,000	1,149,383	5,342,262	115,374	135,009	700,767	6,737,792	272,551	1,450,866
\$75,000 under \$100,000	985,082	7,440,805	104,923	158,207	410,798	5,135,748	234,649	2,079,657
\$100,000 under \$200,000	971,501	18,963,258	130,339	185,195	296,765	4,776,038	278,842	3,967,075
\$200,000 under \$500,000	342,322	20,669,858	74,189	324,066	77,930	1,710,720	118,836	3,026,238
\$500,000 under \$1,000,000	66,920	12,077,437	17,799	178,386	13,099	443,125	26,878	1,288,317
\$1,000,000 or more	32,587	33,946,570	10,305	117,153	5,854	326,945	13,939	1,325,097
Total taxable returns	8,594,447	108,390,120	963,077	1,253,515	6,287,973	53,917,582	2,452,959	18,153,738
Total nontaxable returns	464,975	2,258,400	83,003	-282,558	369,016	1,986,791	207,533	1,040,269

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent and royalty net loss		Farm rental income less loss		Partnership and S-Corporation net income less loss		Estate or trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	4,082,376	27,480,696	211,539	685,703	3,952,150	36,073,943	457,371	3,261,444
Under \$5,000	41,463	354,960	*5,544	*10,058	26,684	- 181,277	*9,102	* - 10,114
\$5,000 under \$10,000	95,806	772,570	*10,918	* - 21,280	54,943	- 464,509	15,109	- 22,101
\$10,000 under \$15,000	158,478	836,123	*12,731	*76,935	101,380	- 319,253	20,021	- 24,448
\$15,000 under \$20,000	201,159	1,000,707	*13,633	*55,470	137,150	- 270,550	22,965	113,594
\$20,000 under \$25,000	274,414	1,596,982	20,210	53,900	189,371	- 149,922	28,294	129,100
\$25,000 under \$30,000	283,742	1,428,554	*9,228	* - 28,785	174,765	- 1,988	29,006	143,737
\$30,000 under \$35,000	307,219	1,589,284	16,489	35,700	222,254	51,404	23,528	90,725
\$35,000 under \$40,000	305,808	1,588,524	16,878	85,933	220,253	335,334	23,878	60,025
\$40,000 under \$45,000	296,390	1,553,540	13,903	13,441	245,033	364,903	19,390	49,150
\$45,000 under \$50,000	258,609	1,465,617	*8,147	* - 2,715	224,207	124,169	23,227	65,527
\$50,000 under \$55,000	261,178	1,544,585	13,329	26,193	215,410	462,382	19,230	141,791
\$55,000 under \$60,000	190,112	1,203,241	13,278	18,060	178,020	435,857	13,538	106,294
\$60,000 under \$75,000	492,936	3,299,660	18,053	131,895	444,449	1,166,634	54,775	204,514
\$75,000 under \$100,000	366,728	2,788,264	14,652	31,625	477,471	2,346,807	44,129	203,893
\$100,000 under \$200,000	374,339	3,365,160	17,656	166,846	655,508	7,995,843	67,231	605,560
\$200,000 under \$500,000	135,197	1,790,606	5,733	32,111	294,492	7,702,592	32,239	478,309
\$500,000 under \$1,000,000	25,894	688,584	750	998	60,470	4,243,231	7,392	314,862
\$1,000,000 or more	12,904	613,735	407	- 681	30,290	12,232,285	4,317	611,026
Total taxable returns	3,829,941	25,162,608	187,798	652,907	3,755,589	38,257,499	414,161	3,093,984
Total nontaxable returns	252,435	2,318,088	23,741	32,796	196,561	- 2,183,556	43,210	167,461

Size of adjusted gross income	Farm net income less loss		Unemployment compensation in AGI		Social Security benefits in AGI		Foreign earned income exclusion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total	811,397	- 2,259,841	2,512,687	4,487,319	1,811,589	6,815,119	43,708	1,900,809
Under \$5,000	10,932	- 78,845	*2,723	*9,562	—	—	*2,088	*85,602
\$5,000 under \$10,000	35,351	- 26,670	39,133	69,797	—	—	*1,685	*36,181
\$10,000 under \$15,000	57,941	- 106,814	108,219	216,456	*1,818	*8,586	5,907	205,573
\$15,000 under \$20,000	40,865	- 94,994	210,991	418,792	*6,837	*2,652	*2,896	*162,345
\$20,000 under \$25,000	65,117	- 131,867	239,724	438,297	56,417	68,042	2,647	86,708
\$25,000 under \$30,000	75,254	- 265,919	327,861	634,841	154,585	268,213	4,706	137,915
\$30,000 under \$35,000	61,180	- 158,788	353,912	645,724	212,336	481,936	2,395	86,955
\$35,000 under \$40,000	78,945	- 115,261	300,534	449,053	179,616	532,265	1,942	77,148
\$40,000 under \$45,000	72,719	- 191,513	267,477	463,098	187,827	716,849	1,312	56,333
\$45,000 under \$50,000	47,476	- 60,195	187,715	323,570	150,451	577,556	558	44,036
\$50,000 under \$55,000	48,516	- 72,702	156,231	260,001	128,126	542,583	2,071	53,995
\$55,000 under \$60,000	27,324	- 16,596	100,424	148,859	93,758	387,909	558	33,055
\$60,000 under \$75,000	55,105	16,396	132,033	235,005	219,908	965,400	3,536	160,834
\$75,000 under \$100,000	51,092	153,908	63,894	119,525	150,485	770,472	3,882	184,895
\$100,000 under \$200,000	54,613	- 281,870	18,899	48,320	185,401	984,228	5,473	332,364
\$200,000 under \$500,000	21,214	- 390,171	2,533	5,370	66,366	391,362	1,636	124,476
\$500,000 under \$1,000,000	4,876	- 183,502	298	832	11,836	78,427	303	23,876
\$1,000,000 or more	2,877	- 254,439	86	217	5,822	38,638	113	8,517
Total taxable returns	720,294	- 1,911,748	2,417,650	4,301,557	1,782,491	6,723,234	36,542	1,532,168
Total nontaxable returns	91,103	- 348,092	95,037	185,761	29,098	91,885	7,166	368,641

Size of adjusted gross income	Other income less loss		Total statutory adjustments		Itemized deductions		
	Number of returns	Amount	Number of returns	Amount	Total	Medical and dental expense deduction	
	(41)	(42)	(43)	(44)	(45)	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Total	3,691,325	7,593,255	6,901,910	21,534,142	392,020,128	5,356,057	17,151,819
Under \$5,000	34,195	- 248,601	35,293	60,035	1,779,286	160,968	496,035
\$5,000 under \$10,000	83,359	- 141,556	129,086	236,992	6,239,382	529,995	2,484,259
\$10,000 under \$15,000	122,883	101,828	272,027	408,861	10,268,982	767,330	2,795,839
\$15,000 under \$20,000	190,310	- 68,663	327,397	679,067	14,787,022	821,417	2,198,425
\$20,000 under \$25,000	236,928	320,064	570,463	1,126,301	19,402,586	720,597	1,729,195
\$25,000 under \$30,000	295,912	341,961	648,036	1,222,475	23,095,478	641,312	1,393,186
\$30,000 under \$35,000	306,835	440,170	752,608	1,584,251	27,910,096	484,032	1,061,916
\$35,000 under \$40,000	332,792	404,391	721,026	1,621,044	28,914,260	338,047	839,917
\$40,000 under \$45,000	329,018	477,110	730,880	1,585,236	30,623,815	261,033	784,008
\$45,000 under \$50,000	310,603	656,924	582,165	1,061,602	27,523,212	169,037	508,105
\$50,000 under \$55,000	252,692	568,884	319,567	962,240	23,766,652	126,616	406,168
\$55,000 under \$60,000	182,507	187,001	227,613	603,336	19,705,999	80,141	408,947
\$60,000 under \$75,000	361,103	668,476	549,291	2,038,857	43,278,063	129,258	539,602
\$75,000 under \$100,000	285,879	670,224	414,999	2,130,402	33,672,774	76,970	545,641
\$100,000 under \$200,000	254,761	1,415,406	452,469	3,689,036	38,458,847	41,842	698,850
\$200,000 under \$500,000	92,599	1,059,884	136,654	1,853,436	21,164,988	6,827	236,167
\$500,000 under \$1,000,000	18,640	328,367	21,934	403,279	7,803,448	547	20,137
\$1,000,000 or more	10,309	411,387	10,402	267,693	13,625,238	88	5,422
Total taxable returns	3,489,147	8,166,508	6,613,042	20,908,494	369,919,197	4,330,985	10,275,163
Total nontaxable returns	202,178	- 573,254	288,868	625,647	22,100,931	1,025,072	6,876,655

Footnote(s) at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Medical and dental expense deduction—Continued							
	Prescription medicines and drugs		Medical transportation and lodging		Miscellaneous medical expenses		Medical and dental expenses subject to reduction by AGI limitation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Total	5,324,845	22,753,848	2,758,551	767,726	1,998,422	4,355,244	5,366,094	27,876,817
Under \$5,000	158,909	417,465	45,884	5,288	43,113	109,309	160,968	532,063
\$5,000 under \$10,000	522,718	2,255,004	197,186	37,123	156,620	496,550	529,995	2,788,676
\$10,000 under \$15,000	763,694	2,843,902	342,674	132,588	247,862	536,205	767,330	3,512,696
\$15,000 under \$20,000	810,489	2,685,555	391,703	82,057	301,797	503,533	821,870	3,271,144
\$20,000 under \$25,000	715,587	2,484,598	399,912	95,976	263,430	355,964	720,597	2,936,538
\$25,000 under \$30,000	637,214	2,423,941	358,035	64,683	254,456	207,471	642,696	2,696,095
\$30,000 under \$35,000	484,459	1,889,094	288,177	73,406	198,835	271,890	485,842	2,234,390
\$35,000 under \$40,000	338,048	1,433,203	211,050	53,664	113,659	299,117	340,336	1,785,984
\$40,000 under \$45,000	263,463	1,284,426	157,063	38,625	127,245	290,467	263,463	1,613,518
\$45,000 under \$50,000	168,132	979,712	102,916	23,628	74,746	94,672	169,037	1,098,012
\$50,000 under \$55,000	126,146	707,648	76,960	34,071	54,877	154,355	126,616	896,073
\$55,000 under \$60,000	80,141	480,297	44,249	17,621	40,550	249,400	80,141	747,317
\$60,000 under \$75,000	130,774	947,934	77,176	66,160	59,503	164,583	130,774	1,178,676
\$75,000 under \$100,000	75,921	871,644	48,403	24,120	37,726	130,163	76,970	1,025,927
\$100,000 under \$200,000	41,841	732,404	15,419	6,865	19,861	370,272	41,842	1,109,541
\$200,000 under \$500,000	6,685	265,224	1,513	11,093	3,882	110,281	6,982	386,597
\$500,000 under \$1,000,000	537	40,062	212	239	220	7,568	547	47,869
\$1,000,000 or more	87	11,735	*19	*520	40	3,445	88	15,701
Total taxable returns	4,316,398	16,964,590	2,395,574	585,528	1,705,570	2,577,799	4,340,569	20,127,917
Total nontaxable returns	1,008,447	5,789,257	362,977	182,198	292,852	1,777,444	1,025,525	7,748,900

Size of adjusted gross income	Itemized deductions—Continued							
	Medical and dental expense deduction—Continued				Taxes paid deduction			
	AGI limitation		Total		State and local income taxes		Real estate taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Total	5,371,290	10,736,680	34,866,323	119,388,068	29,411,377	75,366,006	29,985,789	39,068,906
Under \$5,000	160,968	36,027	201,880	288,246	92,142	86,238	162,816	172,284
\$5,000 under \$10,000	529,995	304,417	724,965	838,553	413,354	176,627	582,073	607,775
\$10,000 under \$15,000	767,330	716,857	1,428,247	1,642,833	994,079	477,556	1,114,881	1,052,883
\$15,000 under \$20,000	821,870	1,072,719	2,159,457	2,841,582	1,737,938	1,210,949	1,679,779	1,433,875
\$20,000 under \$25,000	720,597	1,207,343	2,802,837	4,427,781	2,350,665	2,090,939	2,238,444	2,075,225
\$25,000 under \$30,000	643,165	1,303,539	3,238,959	5,901,591	2,802,132	3,150,952	2,583,651	2,438,511
\$30,000 under \$35,000	488,130	1,176,275	3,556,455	7,533,665	3,047,670	4,220,469	2,949,228	2,922,444
\$35,000 under \$40,000	341,719	948,609	3,503,785	8,359,037	3,034,404	4,858,059	3,002,234	3,084,868
\$40,000 under \$45,000	264,368	831,489	3,364,700	8,945,035	2,934,528	5,319,898	2,957,365	3,198,204
\$45,000 under \$50,000	169,037	589,907	2,771,217	8,277,402	2,384,701	4,911,268	2,467,878	2,976,327
\$50,000 under \$55,000	126,616	489,905	2,269,125	7,413,972	1,949,312	4,500,209	2,037,162	2,592,053
\$55,000 under \$60,000	80,141	338,370	1,702,130	6,094,780	1,485,374	3,779,504	1,528,109	2,050,503
\$60,000 under \$75,000	130,774	639,074	3,236,847	13,979,903	2,820,954	8,686,419	3,003,575	4,668,903
\$75,000 under \$100,000	76,970	480,289	1,944,671	11,072,706	1,667,311	7,045,171	1,822,754	3,623,337
\$100,000 under \$200,000	41,843	410,699	1,435,168	13,243,485	1,237,927	9,134,918	1,357,431	3,706,294
\$200,000 under \$500,000	7,124	152,628	417,827	8,739,140	364,110	6,868,345	395,551	1,676,231
\$500,000 under \$1,000,000	548	27,763	73,614	3,639,776	64,350	3,133,187	70,033	442,769
\$1,000,000 or more	95	10,770	34,439	6,148,583	30,426	5,715,298	32,825	346,421
Total taxable returns	4,345,758	9,864,355	33,376,408	116,547,041	28,522,322	74,428,920	28,709,601	37,360,099
Total nontaxable returns	1,025,532	872,325	1,489,915	2,841,027	889,055	937,086	1,276,188	1,708,807

Size of adjusted gross income	Itemized deductions—Continued							
	Taxes paid deduction—Continued				Interest paid deduction			
	Personal property taxes		Other taxes		Total		Home mortgage interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)
Total	10,654,578	2,463,071	8,158,011	2,119,024	33,125,737	179,942,422	27,971,641	136,839,622
Under \$5,000	50,015	22,017	32,761	5,314	189,063	791,735	160,445	592,907
\$5,000 under \$10,000	172,229	28,390	116,419	19,729	614,323	2,050,925	446,322	1,651,486
\$10,000 under \$15,000	331,171	48,629	268,025	37,999	1,237,436	3,908,038	936,733	3,083,669
\$15,000 under \$20,000	561,557	81,219	501,230	85,155	2,007,582	6,799,728	1,582,475	5,301,636
\$20,000 under \$25,000	825,857	121,668	595,177	112,889	2,657,573	9,440,931	2,110,835	7,481,198
\$25,000 under \$30,000	909,476	147,381	741,548	136,471	3,112,581	11,321,257	2,476,815	8,815,891
\$30,000 under \$35,000	1,053,544	195,648	831,144	166,517	3,437,997	14,121,302	2,861,870	11,157,942
\$35,000 under \$40,000	1,071,630	200,608	824,301	185,355	3,374,559	14,682,359	2,863,069	11,545,362
\$40,000 under \$45,000	1,006,979	202,379	803,408	190,845	3,261,857	15,681,085	2,848,087	12,404,884
\$45,000 under \$50,000	886,884	193,434	659,895	162,899	2,687,187	13,898,165	2,361,105	10,894,115
\$50,000 under \$55,000	707,034	157,098	548,369	146,408	2,175,715	11,592,142	1,915,416	9,197,412
\$55,000 under \$60,000	548,607	137,846	426,221	116,711	1,636,778	9,601,288	1,442,031	7,603,095
\$60,000 under \$75,000	1,126,219	321,167	852,100	275,351	3,108,515	20,724,202	2,765,005	16,403,678
\$75,000 under \$100,000	676,864	203,616	486,301	176,025	1,833,680	15,649,973	1,649,105	12,193,528
\$100,000 under \$200,000	530,119	209,751	341,372	158,372	1,315,347	16,228,887	1,158,039	12,079,642
\$200,000 under \$500,000	157,634	113,335	102,389	75,324	378,330	7,628,391	319,667	4,730,382
\$500,000 under \$1,000,000	25,705	34,164	17,801	27,196	65,987	2,235,568	51,984	1,064,837
\$1,000,000 or more	13,054	44,720	9,550	40,555	31,227	3,586,447	22,638	637,957
Total taxable returns	10,270,557	2,363,145	7,902,692	2,053,223	31,784,828	170,952,219	26,813,289	130,381,331
Total nontaxable returns	384,021	99,926	255,319	65,801	1,340,909	8,990,203	1,158,352	6,458,290

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction—Continued							
	Home mortgage interest—Continued				Deductible points		Investment interest paid	
	Paid to financial institutions		Paid to individuals		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount				
	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)
Total	27,218,986	131,630,461	1,917,920	5,209,161	2,996,989	4,038,669	1,640,701	9,881,591
Under \$5,000	153,159	569,414	12,543	23,493	12,939	20,172	10,318	60,018
\$5,000 under \$10,000	426,528	1,543,979	43,166	107,507	25,066	23,925	10,171	20,432
\$10,000 under \$15,000	908,072	2,959,217	64,508	124,453	49,213	62,715	34,173	71,939
\$15,000 under \$20,000	1,512,683	5,014,684	132,607	286,951	127,689	156,630	36,721	128,057
\$20,000 under \$25,000	2,024,349	7,060,143	170,753	421,055	155,387	151,591	64,933	137,844
\$25,000 under \$30,000	2,394,216	8,445,432	164,863	370,460	213,674	204,947	56,024	129,918
\$30,000 under \$35,000	2,769,029	10,665,482	185,252	492,460	271,109	279,272	86,479	173,336
\$35,000 under \$40,000	2,792,331	11,142,255	161,534	403,107	267,126	301,908	87,181	162,466
\$40,000 under \$45,000	2,779,086	11,982,372	184,906	422,512	289,676	344,273	91,142	144,751
\$45,000 under \$50,000	2,297,385	10,480,148	156,355	413,966	249,420	303,411	86,625	191,249
\$50,000 under \$55,000	1,880,678	8,911,166	112,522	286,246	213,888	286,734	73,446	135,592
\$55,000 under \$60,000	1,416,560	7,362,922	97,515	240,173	204,909	262,617	81,189	146,835
\$60,000 under \$75,000	2,715,060	15,925,994	182,303	477,684	389,083	564,917	203,540	552,448
\$75,000 under \$100,000	1,623,495	11,786,550	122,260	406,978	262,490	456,002	214,180	935,420
\$100,000 under \$200,000	1,138,649	11,609,598	95,216	470,044	203,566	437,490	299,828	1,644,344
\$200,000 under \$500,000	314,536	4,551,056	26,064	179,326	52,457	143,339	151,402	1,773,454
\$500,000 under \$1,000,000	50,997	1,016,293	3,877	48,543	6,748	25,572	34,364	888,465
\$1,000,000 or more	22,173	603,756	1,676	34,200	2,549	13,154	18,985	2,585,024
Total taxable returns	26,099,442	125,494,879	1,821,203	4,886,453	2,908,792	3,898,924	1,565,148	8,639,404
Total nontaxable returns	1,119,544	6,135,582	96,717	322,708	88,197	139,745	75,553	1,242,187

Size of adjusted gross income	Itemized deductions—Continued							
	Interest paid deduction—Continued				Contributions deduction			
	Personal interest paid		Personal interest deduction		Total		Cash contributions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Under \$3,000 to a single organization	
							Number of returns	Amount
	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)
Total	29,418,115	44,036,752	29,418,062	29,182,540	32,229,545	49,623,907	31,316,823	29,234,826
Under \$5,000	140,616	171,968	140,616	118,638	170,973	91,901	163,696	85,550
\$5,000 under \$10,000	460,428	529,892	460,428	355,081	604,142	525,066	580,493	428,314
\$10,000 under \$15,000	990,962	1,024,176	990,962	689,715	1,225,967	1,115,567	1,183,207	832,607
\$15,000 under \$20,000	1,690,159	1,824,348	1,690,159	1,213,405	1,860,106	1,813,388	1,806,017	1,254,355
\$20,000 under \$25,000	2,302,326	2,540,139	2,302,326	1,670,298	2,514,654	2,255,875	2,405,363	1,652,431
\$25,000 under \$30,000	2,777,466	3,275,325	2,777,466	2,170,500	2,923,960	2,768,584	2,840,804	2,078,445
\$30,000 under \$35,000	3,068,723	3,813,219	3,068,723	2,510,752	3,262,889	3,227,592	3,150,261	2,322,745
\$35,000 under \$40,000	3,071,535	4,054,542	3,071,535	2,672,623	3,251,474	3,317,404	3,148,251	2,188,991
\$40,000 under \$45,000	2,983,469	4,210,618	2,983,469	2,787,176	3,122,473	3,347,558	3,046,195	2,287,867
\$45,000 under \$50,000	2,473,543	3,803,452	2,473,543	2,509,390	2,598,634	3,130,204	2,515,273	2,146,274
\$50,000 under \$55,000	1,996,214	3,012,455	1,996,214	1,972,404	2,153,633	2,788,127	2,103,765	1,840,750
\$55,000 under \$60,000	1,497,405	2,417,129	1,497,405	1,588,740	1,616,720	2,244,484	1,587,759	1,494,572
\$60,000 under \$75,000	2,852,670	4,878,728	2,852,670	3,203,159	3,131,840	5,039,458	3,065,768	3,215,371
\$75,000 under \$100,000	1,616,468	3,116,475	1,616,468	2,065,023	1,888,478	4,074,533	1,857,233	2,492,489
\$100,000 under \$200,000	1,117,550	3,030,929	1,117,550	2,067,412	1,388,938	5,524,014	1,358,627	2,684,317
\$200,000 under \$500,000	305,022	1,459,618	304,972	981,216	409,082	3,460,851	401,214	1,376,437
\$500,000 under \$1,000,000	50,013	379,903	50,013	256,694	71,744	1,539,561	69,965	443,909
\$1,000,000 or more	23,546	493,837	23,543	350,313	33,838	3,359,739	32,932	409,402
Total taxable returns	28,379,815	42,379,247	28,379,762	28,032,559	30,959,698	48,088,852	30,102,371	28,267,486
Total nontaxable returns	1,038,300	1,657,505	1,038,300	1,149,981	1,269,847	1,535,055	1,214,452	967,340

Size of adjusted gross income	Itemized deductions—Continued							
	Contributions deduction—Continued						Casualty or theft loss	
	Cash contributions—Continued		Other than cash contributions		Carryover from prior years		Number of returns	Amount
	\$3,000 or more to a single organization		Number of returns	Amount	Number of returns	Amount		
	Number of returns	Amount						
	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)
Total	1,777,629	12,613,714	10,690,887	6,175,807	196,622	1,865,095	219,905	1,386,421
Under \$5,000	—	—	27,361	8,809	*5,087	*3,928	*5,910	*9,061
\$5,000 under \$10,000	*12,267	*44,580	131,946	37,009	14,692	18,428	*7,281	*27,094
\$10,000 under \$15,000	42,185	170,437	317,427	86,280	22,733	26,530	18,619	74,122
\$15,000 under \$20,000	86,058	397,949	494,070	133,881	18,179	27,212	22,267	165,192
\$20,000 under \$25,000	92,612	391,648	709,582	206,050	10,440	5,703	31,201	159,010
\$25,000 under \$30,000	92,917	410,598	811,976	252,092	17,218	27,561	19,693	53,705
\$30,000 under \$35,000	138,410	591,866	949,676	304,100	10,158	9,274	23,029	66,945
\$35,000 under \$40,000	161,465	730,424	1,027,176	361,632	14,319	36,673	13,307	39,785
\$40,000 under \$45,000	146,047	733,864	998,375	312,268	7,234	13,581	17,912	235,154
\$45,000 under \$50,000	140,597	636,750	880,422	290,787	6,815	308,965	16,963	68,932
\$50,000 under \$55,000	130,143	649,453	763,938	270,516	9,312	27,414	12,918	106,337
\$55,000 under \$60,000	88,513	495,867	620,910	246,172	5,981	7,868	11,187	120,852
\$60,000 under \$75,000	204,899	1,155,370	1,329,662	624,173	15,239	44,792	12,391	68,763
\$75,000 under \$100,000	133,010	964,763	833,000	517,726	10,226	99,527	*2,116	*38,737
\$100,000 under \$200,000	185,175	1,859,378	596,601	767,745	16,877	212,567	4,306	51,057
\$200,000 under \$500,000	83,808	1,201,921	160,855	557,306	7,953	325,194	670	60,575
\$500,000 under \$1,000,000	23,925	681,124	25,565	249,499	2,326	165,030	103	21,013
\$1,000,000 or more	15,598	1,497,723	12,345	949,763	1,833	504,849	32	20,088
Total taxable returns	1,719,913	12,303,594	10,392,384	6,046,006	155,575	1,730,310	183,858	721,279
Total nontaxable returns	57,716	310,120	298,503	129,800	41,047	134,785	36,047	665,142

Footnotes at end of table

Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued						Exemptions		Taxable income	
	Moving expenses		Miscellaneous deductions subject to AGI limitation		Other miscellaneous deductions		Number of exemptions	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)
Total	960,651	3,704,175	8,131,762	18,902,816	1,244,322	1,920,500	97,769,183	184,063,605	34,201,583	1,234,720,070
Under \$5,000	*2,513	*6,164	77,646	76,237	13,752	19,908	429,680	784,467	22,263	25,123
\$5,000 under \$10,000	14,695	37,235	187,395	247,072	28,868	29,178	1,383,858	2,557,088	370,562	773,397
\$10,000 under \$15,000	40,159	70,049	315,095	575,193	56,503	87,340	3,036,344	5,592,672	1,177,335	5,748,514
\$15,000 under \$20,000	39,754	110,543	505,279	704,711	88,177	153,454	4,877,654	9,094,327	2,067,863	16,920,889
\$20,000 under \$25,000	54,919	114,482	718,811	1,145,366	111,528	129,945	6,760,503	12,675,431	2,801,362	34,020,419
\$25,000 under \$30,000	107,056	276,242	782,935	1,277,364	117,034	103,550	8,347,381	15,720,220	3,280,304	52,717,923
\$30,000 under \$35,000	82,140	220,357	940,864	1,528,189	126,816	150,131	9,840,344	18,536,551	3,615,739	71,916,949
\$35,000 under \$40,000	90,681	201,278	823,733	1,380,519	111,642	93,962	10,183,829	19,210,568	3,540,601	85,077,454
\$40,000 under \$45,000	69,894	241,328	746,440	1,276,116	125,247	113,531	10,163,018	19,151,206	3,396,214	95,137,281
\$45,000 under \$50,000	71,390	236,601	618,548	1,279,945	97,075	123,859	8,568,231	16,141,317	2,779,435	88,683,487
\$50,000 under \$55,000	67,492	255,049	480,774	1,130,124	75,364	74,734	7,029,133	13,284,416	2,279,997	82,582,995
\$55,000 under \$60,000	49,720	211,133	371,906	954,433	52,426	70,082	5,261,730	9,961,011	1,706,653	68,662,626
\$60,000 under \$75,000	115,470	624,096	744,423	2,148,872	106,102	153,165	9,914,135	18,751,185	3,251,092	154,530,109
\$75,000 under \$100,000	74,857	465,738	428,565	1,698,155	64,166	127,291	5,976,465	11,290,795	1,947,286	121,045,558
\$100,000 under \$200,000	68,179	527,057	304,163	1,958,898	53,075	226,598	4,401,833	8,295,603	1,438,552	145,485,077
\$200,000 under \$500,000	10,326	91,664	71,627	821,829	12,561	126,371	1,275,079	2,412,366	418,471	98,046,622
\$500,000 under \$1,000,000	1,103	12,071	9,744	308,428	2,540	26,894	219,845	415,174	73,482	41,901,188
\$1,000,000 or more	303	3,089	3,814	391,365	1,446	110,506	100,121	189,207	34,372	71,444,459
Total taxable returns	924,310	3,593,583	7,762,186	18,074,541	1,169,109	1,666,518	93,380,328	175,932,854	33,888,547	1,233,273,841
Total nontaxable returns	36,341	110,592	369,576	828,275	75,213	253,983	4,388,855	8,130,751	313,036	1,446,229

Size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)
Total	34,174,378	274,876,115	5,512,171	3,372,261	33,893,563	271,503,854	126,188	1,502,688	33,913,680	273,006,542
Under \$5,000	20,437	9,198	*430	*33	20,437	9,165	*6	*817	20,443	9,982
\$5,000 under \$10,000	358,689	98,448	59,929	10,826	304,117	87,622	*1,462	*24,418	305,579	112,041
\$10,000 under \$15,000	1,164,581	752,120	278,610	63,226	1,054,407	688,894	*576	*1,539	1,054,980	690,433
\$15,000 under \$20,000	2,068,209	2,335,722	219,685	62,438	2,036,060	2,273,284	*952	*3,131	2,036,581	2,276,415
\$20,000 under \$25,000	2,801,756	4,886,299	316,315	132,263	2,768,174	4,754,036	*3,692	*7,872	2,771,078	4,761,909
\$25,000 under \$30,000	3,279,399	8,017,442	446,252	166,909	3,262,831	7,850,533	4,329	18,123	3,263,482	7,868,656
\$30,000 under \$35,000	3,614,834	11,295,269	527,316	215,365	3,602,151	11,079,904	2,318	13,568	3,602,257	11,093,472
\$35,000 under \$40,000	3,540,936	13,556,537	553,792	215,912	3,538,203	13,340,625	4,277	22,730	3,539,100	13,363,355
\$40,000 under \$45,000	3,396,214	15,719,103	595,573	247,907	3,387,830	15,471,196	1,662	10,286	3,388,670	15,481,481
\$45,000 under \$50,000	2,779,434	15,407,617	499,879	204,437	2,776,237	15,203,180	4,782	20,536	2,778,683	15,223,716
\$50,000 under \$55,000	2,279,997	15,244,052	416,775	184,855	2,278,625	15,059,197	2,397	15,942	2,279,231	15,075,139
\$55,000 under \$60,000	1,706,653	13,322,410	325,730	151,783	1,705,621	13,170,627	4,728	23,627	1,706,253	13,194,254
\$60,000 under \$75,000	3,251,092	32,806,786	566,509	289,191	3,248,570	32,517,595	12,609	51,958	3,249,895	32,569,553
\$75,000 under \$100,000	1,947,283	29,245,085	335,885	235,467	1,946,798	29,009,619	16,758	91,328	1,948,530	29,100,947
\$100,000 under \$200,000	1,438,551	41,239,838	250,951	400,242	1,437,471	40,839,595	35,839	334,299	1,440,790	41,173,894
\$200,000 under \$500,000	418,460	32,118,086	85,277	312,596	418,212	31,805,489	23,127	425,724	419,786	32,231,214
\$500,000 under \$1,000,000	73,480	14,444,416	21,173	145,494	73,455	14,298,922	4,355	174,741	73,821	14,473,664
\$1,000,000 or more	34,373	24,377,687	12,090	333,317	34,364	24,044,370	2,319	262,048	34,521	24,306,418
Total taxable returns	33,895,608	274,679,604	5,233,401	3,175,750	33,893,563	271,503,854	126,188	1,502,688	33,913,680	273,006,542
Total nontaxable returns	278,770	196,511	278,770	196,511	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based

NOTE Detail may not add to total because of rounding

Table 2.2—Returns With Itemized Deductions: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns		Joint returns of husbands and wives		Separate returns of husbands and wives		Returns of heads of households		Returns of surviving spouses		Returns of single persons	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
Adjusted gross income less deficit	35,627,790	1,799,047,894	25,265,390	1,441,383,435	559,959	19,488,562	2,566,800	79,456,564	20,322	790,129	7,215,319	257,949,205
Salaries and wages	32,039,575	1,376,357,956	23,503,807	1,123,193,292	498,504	13,850,364	2,404,301	65,856,425	11,982	338,560	5,620,981	173,119,315
Taxable interest received	30,627,858	88,941,193	22,270,169	61,545,549	372,620	1,158,477	1,886,394	2,855,530	20,322	156,163	6,078,353	23,225,473
Tax exempt interest	2,086,056	24,586,074	1,467,811	16,743,982	23,762	250,780	64,251	525,997	1,841	7,646	528,391	7,057,668
Dividends	12,461,436	46,033,184	9,088,243	29,853,920	143,693	734,552	594,181	1,599,365	11,207	56,446	2,624,112	13,788,901
State income tax refunds	19,293,123	10,173,526	14,336,442	7,933,840	226,112	1,063,314	1,380,667	541,794	11,613	8,663	3,338,289	1,582,914
Alimony received	265,388	2,315,163	53,766	157,501	5,026	57,490	131,989	1,356,610	—	—	74,607	743,562
Business or profession	5,264,067	92,021,934	4,354,589	77,232,918	62,201	935,725	209,304	2,999,218	4,480	22,613	637,493	10,831,460
Net income	1,753,994	9,268,357	1,447,991	7,713,901	16,868	124,955	70,294	277,472	1,621	5,345	217,220	1,146,684
Sales of capital assets reported on Schedule D	6,632,839	115,194,258	4,845,316	87,586,112	77,699	2,154,118	285,978	3,030,895	3,555	129,476	1,420,291	22,293,657
Net gain	2,426,583	4,545,738	1,694,136	3,205,555	32,032	36,619	122,877	231,977	6,264	13,819	571,274	1,057,768
Sales of property other than capital assets	6,656,989	55,904,373	4,847,904	43,015,916	62,026	462,373	351,801	1,645,056	1,107	576	162,003	232,915
Pensions and annuities in AGI	2,660,492	19,194,007	2,076,758	15,411,377	26,951	207,027	105,714	529,121	11,633	89,548	1,383,625	10,691,481
Rent and Royalty	4,082,376	27,480,696	3,112,558	21,903,714	40,271	245,863	193,798	1,116,375	3,112	23,509	447,957	3,022,974
Net income	211,539	685,703	142,100	326,101	3,208	19,271	11,270	25,031	2,788	12,335	732,961	4,202,409
Partnership and S Corporation net income less loss	3,952,150	36,073,943	3,121,146	30,927,111	41,135	251,901	133,165	839,373	3,134	6,884	653,570	315,299
Estate or trust net income less loss	811,397	3,261,444	268,334	1,453,937	4,211	175,814	16,902	126,017	53	879	167,871	1,306,558
Farm net income less loss	2,512,687	4,487,319	2,050,265	3,868,842	6,917	40,315	15,665	89,860	1,181	9,412	73,503	453,412
Unemployment compensation in AGI	1,811,589	6,815,119	1,200,611	4,806,101	13,513	40,019	34,534	100,103	1,818	4,444	279,091	489,551
Social Security benefits in AGI	43,708	1,900,809	33,559	1,574,555	2,395	77,790	3,454	100,103	3,209	6,475	559,722	1,862,421
Foreign earned income exclusion	3,691,325	7,593,255	2,887,457	6,176,306	40,285	32,172	201,225	427,456	1,041	4,744	559,041	952,577
Other income less loss	6,901,971	21,534,142	5,137,525	16,558,518	74,620	254,524	378,638	1,031,553	5,875	12,112	1,305,252	3,677,435
Total statutory adjustments	1,060,971	3,196,769	832,783	2,508,973	8,568	25,524	28,638	114,732	—	—	171,351	556,308
Employee business expenses	3,828,594	5,866,719	2,708,745	4,150,399	50,817	91,708	244,634	371,345	5,872	11,744	818,526	1,241,522
Primary IRA payments	1,854,630	2,371,349	1,854,630	2,371,349	—	—	—	—	—	—	—	—
Secondary IRA payments	649,777	5,734,928	539,816	4,879,857	9,547	90,048	22,613	155,887	—	—	86,184	668,114
Payments to a Keogh plan	414,478	3,171,313	221,648	1,664,875	5,477	34,432	39,046	189,486	1	1	144,237	1,070,597
Alimony paid	35,627,790	392,020,128	25,265,390	305,545,511	559,959	4,494,155	2,566,800	18,948,965	20,322	278,543	7,215,319	62,752,954
Total itemized deductions	5,356,057	17,151,819	3,461,976	8,778,141	84,166	1,353,378	461,802	670,663	12,279	16,257	1,335,834	7,531,381
Medical and dental expense deduction	34,866,323	119,388,068	24,946,263	93,547,507	536,326	1,464,645	2,508,124	5,577,749	79,249	79,249	6,855,288	18,718,918
Taxes paid deduction	33,125,737	179,942,422	24,206,366	145,535,253	475,485	2,019,145	2,453,092	9,536,636	18,426	143,917	5,972,368	22,707,472
Interest paid deduction	32,229,545	49,623,907	23,389,803	39,295,082	438,846	516,743	2,278,858	2,034,987	16,689	22,858	6,105,349	7,754,237
Contributions deduction	219,905	1,386,421	141,728	1,060,232	4,191	17,643	19,287	45,192	1,383	7,522	53,316	255,831
Casualty or theft loss	960,651	3,704,175	702,559	2,976,316	8,540	25,511	35,426	113,135	937	937	214,028	588,277
Moving expense deduction	9,187,957	20,823,316	6,133,456	14,352,982	135,968	295,089	703,101	970,603	6,064	7,805	2,209,368	5,196,838
Total miscellaneous deductions	34,201,583	1,234,720,070	24,439,623	986,284,980	534,397	13,509,578	2,449,336	50,088,269	16,683	443,918	6,761,544	184,393,325
Taxable income	5,512,171	3,372,261	4,578,988	2,804,032	13,540	52,835	74,674	319,141	4,247	16,722	167,722	194,406
Child care credit	4,576,723	1,811,165	4,005,039	1,567,826	—	—	551,007	236,171	3,693	11,520	16,984	5,647
Credit for the elderly and disabled	22,257	77,281	—	1,695	—	—	—	—	—	—	14,976	2,477
Foreign tax credit	378,142	778,763	273,505	600,222	8,107	42,407	11,593	24,848	5,515	276	84,422	111,009
Earned income credit used to offset income tax before credits	303,097	43,809	87,669	7,615	—	—	215,428	36,194	—	—	—	—
Mortgage interest credit	266,905	8,694	219,717	576,333	5,064	9,762	6,597	19,369	40	51	4,541	1,290
General business credit	33,893,563	271,503,854	24,291,448	216,729,568	527,489	3,249,930	2,316,268	9,117,827	16,683	110,201	6,741,875	68,723
Income tax after credits	126,188	1,502,688	94,679	1,155,487	4,937	59,830	5,192	55,708	725	725	21,369	42,296,326
Alternative minimum tax	33,913,680	273,006,542	24,305,806	217,885,055	529,100	3,309,761	2,316,880	9,173,536	16,683	110,927	6,745,211	42,527,263
Total income tax	34,405,024	283,365,949	24,672,563	226,558,198	540,906	3,414,735	2,352,846	9,493,481	16,684	114,309	6,821,935	43,785,225
Total tax liability	34,561,509	293,108,537	24,795,985	231,353,470	521,815	3,368,163	2,481,647	11,966,827	18,502	122,019	6,743,560	46,288,057
Total tax payments	32,156,714	218,981,180	23,461,544	175,004,330	497,323	2,192,029	2,383,436	10,221,669	14,798	60,339	5,799,613	31,502,633
Income tax withheld	5,358,370	57,536,607	3,668,174	43,187,098	46,880	829,488	192,724	1,371,327	7,088	47,874	1,443,504	12,100,820
Estimated tax payments	24,288,132	39,021,022	16,985,685	28,636,393	343,715	329,997	2,153,189	3,361,649	12,338	19,646	4,793,205	6,673,337
Overpayment refunded	9,783,573	37,199,508	7,398,047	29,782,571	188,678	514,150	348,610	997,413	2,862	17,564	1,845,376	5,887,909
Tax due at time of filing	—	—	—	—	—	—	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Overall may not add to total because of rounding.

Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents					
				Total				Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns		Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Total	106,996,270	217,495,163	145,621,525	38,516,212	71,873,638	1,349,953,779	30,363,318	168,833,213	
Under \$5,000	17,816,271	15,854,337	12,026,353	2,302,195	3,827,984	- 13,570,913	11,814	76,861	
\$5,000 under \$10,000	15,697,441	23,655,880	17,455,032	3,594,566	6,200,848	27,301,096	251,333	66,018	
\$10,000 under \$15,000	13,826,437	25,233,922	17,854,636	4,075,774	7,379,286	50,850,853	2,041,911	882,827	
\$15,000 under \$20,000	11,409,683	23,057,940	15,669,249	3,954,977	7,388,691	69,117,461	3,681,522	3,380,666	
\$20,000 under \$25,000	9,055,809	20,090,738	13,362,445	3,601,690	6,728,293	80,885,710	3,488,262	5,208,893	
\$25,000 under \$30,000	7,494,827	18,322,346	11,868,620	3,394,284	6,453,726	93,291,620	3,360,956	7,102,843	
\$30,000 under \$35,000	6,349,337	16,698,203	10,586,878	3,156,317	6,111,325	102,322,710	3,130,353	8,450,959	
\$35,000 under \$40,000	5,255,307	14,688,767	9,247,917	2,863,861	5,440,850	107,325,476	2,853,563	9,645,685	
\$40,000 under \$45,000	4,471,987	12,972,798	8,147,709	2,508,853	4,825,089	106,386,893	2,499,752	10,254,950	
\$45,000 under \$50,000	3,390,914	10,149,265	6,291,242	1,974,367	3,858,023	93,585,610	1,967,890	9,838,296	
\$50,000 under \$55,000	2,658,467	7,992,428	4,984,960	1,566,400	3,007,468	82,070,944	1,563,904	9,482,367	
\$55,000 under \$60,000	1,922,436	5,799,888	3,649,887	1,145,452	2,150,001	65,722,509	1,141,521	8,204,682	
\$60,000 under \$75,000	3,529,544	10,563,235	6,714,041	2,034,137	3,849,194	135,337,868	2,030,527	18,818,345	
\$75,000 under \$100,000	2,064,189	6,246,056	3,919,902	1,207,205	2,326,154	102,417,762	1,205,682	16,982,063	
\$100,000 under \$200,000	1,513,654	4,551,594	2,839,388	845,712	1,712,206	112,143,932	844,380	23,118,980	
\$200,000 under \$500,000	429,671	1,294,383	799,056	234,234	495,327	67,518,658	233,881	17,801,338	
\$500,000 under \$1,000,000	75,352	222,542	139,984	38,965	82,558	26,364,812	38,901	7,692,037	
\$1,000,000 or more	34,944	100,841	64,226	17,223	36,615	40,880,777	17,166	11,825,402	
Total taxable returns	86,723,796	177,740,619	121,425,503	30,363,318	56,315,116	1,301,253,099	30,363,318	168,833,213	
Total nontaxable returns	20,272,474	39,754,544	24,196,022	8,152,894	15,558,522	48,700,680	—	—	

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
Total	35,984,784	65,868,325	1,272,981,821	28,227,997	158,254,198	1,088,899	1,592,326	43,755,364	1,010,498	6,411,774
Under \$5,000	2,178,131	3,623,457	- 12,885,025	9,716	69,336	18,377	22,306	- 410,171	123	4,911
\$5,000 under \$10,000	3,246,666	5,440,324	24,577,883	120,382	41,245	71,095	106,645	566,112	29,203	8,325
\$10,000 under \$15,000	3,731,722	6,521,145	46,597,394	1,735,118	713,670	88,200	135,478	1,114,344	76,379	48,908
\$15,000 under \$20,000	3,564,781	6,557,039	62,316,950	3,306,653	2,932,304	117,652	180,127	2,032,910	115,056	142,860
\$20,000 under \$25,000	3,347,476	6,138,740	75,194,400	3,235,671	4,723,536	110,807	175,525	2,510,384	108,749	207,100
\$25,000 under \$30,000	3,168,013	5,904,958	87,044,615	3,136,068	6,485,104	123,625	187,493	3,383,740	122,242	323,389
\$30,000 under \$35,000	2,968,887	5,637,349	96,280,462	2,943,787	7,819,052	104,335	141,128	3,380,508	104,335	340,001
\$35,000 under \$40,000	2,727,398	5,099,596	102,226,350	2,717,619	9,070,136	78,966	113,960	2,968,271	78,915	321,721
\$40,000 under \$45,000	2,408,489	4,552,902	102,130,046	2,399,388	9,732,736	73,259	96,214	3,100,650	73,019	366,078
\$45,000 under \$50,000	1,885,106	3,615,964	89,333,397	1,878,629	9,266,902	61,146	91,837	2,887,816	61,146	367,043
\$50,000 under \$55,000	1,495,688	2,826,888	78,360,493	1,493,290	8,961,608	48,835	62,114	2,559,379	48,835	341,367
\$55,000 under \$60,000	1,096,361	2,010,978	62,906,065	1,092,430	7,795,061	38,295	60,605	2,197,410	38,295	300,795
\$60,000 under \$75,000	1,954,968	3,640,328	129,973,097	1,951,442	17,968,263	69,243	94,527	4,656,149	69,159	690,531
\$75,000 under \$100,000	1,136,100	2,142,232	96,359,936	1,134,577	15,896,393	46,420	66,703	3,921,429	46,420	681,609
\$100,000 under \$200,000	801,527	1,587,910	106,075,002	800,199	21,772,208	28,552	42,038	3,957,544	28,549	883,672
\$200,000 under \$500,000	220,836	459,254	63,661,159	220,507	16,756,822	8,155	12,472	2,343,560	8,141	636,334
\$500,000 under \$1,000,000	36,588	75,744	24,765,165	36,527	7,233,008	1,268	2,062	860,804	1,265	260,240
\$1,000,000 or more	16,047	33,517	38,064,432	15,994	11,016,814	669	1,092	1,724,524	667	486,890
Total taxable returns	28,227,997	51,512,546	1,226,177,668	28,227,997	158,254,198	1,010,498	1,451,136	43,474,950	1,010,498	6,411,774
Total nontaxable returns	7,756,787	14,355,779	46,804,153	—	—	78,401	141,190	280,414	—	—

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
Total	1,338,104	1,545,154	43,336,873	1,068,171	5,344,463	1,933,217	2,867,833	55,295,995	1,465,614	6,350,979
Under \$5,000	56,889	60,743	- 418,757	1,854	1,466	100,907	121,478	- 334,203	190	4,285
\$5,000 under \$10,000	183,390	223,403	1,424,755	49,108	10,313	286,819	430,476	2,247,321	56,376	8,745
\$10,000 under \$15,000	180,873	224,515	2,240,171	129,072	66,457	309,079	498,148	3,848,119	205,903	87,685
\$15,000 under \$20,000	168,011	202,801	2,887,151	150,270	150,420	305,957	448,724	5,330,565	277,766	260,517
\$20,000 under \$25,000	150,778	163,490	3,379,794	145,759	235,479	163,675	250,538	3,665,510	162,291	238,813
\$25,000 under \$30,000	112,660	133,410	3,112,089	111,710	233,769	167,684	227,865	4,606,187	165,155	354,066
\$30,000 under \$35,000	97,944	108,522	3,185,554	94,837	246,331	145,691	224,326	4,671,511	145,260	385,210
\$35,000 under \$40,000	70,985	77,940	2,656,318	70,947	260,827	98,373	149,354	3,686,151	97,853	345,742
\$40,000 under \$45,000	67,501	72,072	2,863,340	67,071	277,819	67,428	103,901	2,867,618	67,428	279,546
\$45,000 under \$50,000	47,700	53,365	2,266,174	47,699	231,185	69,059	96,857	3,266,136	69,057	344,949
\$50,000 under \$55,000	45,446	48,007	2,378,494	44,302	254,421	46,575	70,459	2,447,314	46,575	290,612
\$55,000 under \$60,000	26,052	29,661	1,494,715	26,052	183,288	35,727	48,757	2,053,489	35,727	267,539
\$60,000 under \$75,000	47,015	51,090	3,162,725	46,725	418,856	46,721	63,249	3,114,818	46,721	421,678
\$75,000 under \$100,000	43,713	51,185	3,647,837	43,629	560,687	45,156	66,034	3,884,851	45,021	654,988
\$100,000 under \$200,000	28,209	32,154	3,670,811	28,208	712,428	32,621	50,104	4,525,401	32,569	939,803
\$200,000 under \$500,000	8,485	9,971	2,477,481	8,479	652,701	9,332	13,630	2,672,007	9,314	702,408
\$500,000 under \$1,000,000	1,665	1,915	1,143,319	1,663	324,776	1,696	2,837	1,132,240	1,693	315,048
\$1,000,000 or more	788	910	1,764,902	786	523,241	717	1,096	1,610,960	715	449,346
Total taxable returns	1,068,171	1,212,704	41,431,947	1,068,171	5,344,463	1,465,614	2,138,730	51,891,445	1,465,614	6,350,979
Total nontaxable returns	269,933	332,450	1,904,926	—	—	467,603	729,103	3,404,550	—	—

NOTE: Detail may not add to total because of rounding.

Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for dependents				
				Total			Total income tax	
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	106,996,270	217,495,163	145,621,525	38,516,212	71,873,638	1,349,953,779	30,363,318	168,833,213
Joint returns of husbands and wives	47,742,215	150,083,350	95,595,821	27,536,554	54,487,529	1,158,824,684	23,843,942	151,285,335
Separate returns of husbands and wives								
Total	1,589,148	2,472,083	1,607,338	505,952	864,745	10,384,350	416,994	1,426,176
Spouse filing	1,545,072	2,324,303	1,519,184	480,975	805,119	9,934,360	398,976	1,386,047
Spouse not filing	44,076	147,780	88,154	24,977	59,626	449,991	18,018	40,130
Returns of heads of households	10,210,522	25,042,423	10,207,201	9,326,583	14,835,222	153,941,737	5,161,679	12,413,374
Returns of surviving spouses	55,687	139,208	55,687	55,687	83,521	1,238,382	32,556	146,622
Returns of single persons	47,398,698	39,758,099	38,155,478	1,091,436	1,602,621	25,564,626	908,147	3,561,706

Marital status	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
	(9)	(10)	(11)	Number of returns	Amount	(14)	(15)	(16)	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	35,984,784	65,868,325	1,272,981,821	28,227,997	158,254,198	1,088,899	1,592,326	43,755,364	1,010,498	6,411,774
Joint returns of husbands and wives	26,671,029	51,659,223	1,118,937,836	23,075,132	145,246,613	485,109	692,810	25,599,412	458,613	3,683,393
Separate returns of husbands and wives										
Total	460,850	777,249	9,274,980	375,543	1,267,088	21,067	35,042	708,392	17,412	121,661
Spouse filing	437,733	723,632	8,876,136	359,385	1,231,642	21,067	35,042	708,392	17,412	121,661
Spouse not filing	23,117	53,617	398,845	16,158	35,446	—	—	—	—	—
Returns of heads of households	8,388,610	12,821,112	135,982,347	4,446,132	10,666,996	135,969	198,666	3,733,342	115,960	459,574
Returns of surviving spouses	55,687	76,624	1,238,382	32,556	146,622	—	—	—	—	—
Returns of single persons	408,608	534,117	7,548,275	298,634	926,878	446,754	665,808	13,714,217	418,513	2,147,146

Marital status	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
	(19)	(20)	(21)	Number of returns	Amount	(24)	(25)	(26)	Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	1,338,104	1,545,154	43,336,873	1,068,171	5,344,463	1,933,217	2,867,833	55,295,995	1,465,614	6,350,979
Joint returns of husbands and wives	659,761	771,275	30,452,333	569,959	4,116,433	920,510	1,364,221	37,799,481	791,301	4,893,281
Separate returns of husbands and wives										
Total	12,410	12,509	353,057	12,408	52,355	21,109	39,945	433,972	21,105	48,178
Spouse filing	12,410	12,509	353,057	12,408	52,355	19,249	33,936	382,826	19,245	43,494
Spouse not filing	—	—	—	—	—	*1,860	*6,009	*51,146	*1,860	*4,684
Returns of heads of households	570,331	638,341	10,963,308	413,370	1,017,863	811,676	1,177,103	13,532,859	505,614	995,448
Returns of surviving spouses	*38	*38	*24,297	*38	*7,299	*5,041	*6,859	*92,303	*106	*13,124
Returns of single persons	95,564	122,991	1,543,877	72,396	150,513	174,881	279,705	3,437,380	147,488	400,948

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 NOTE: Detail may not add to total because of rounding.

Table 3.1—Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, Type of Tax Computation by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Income subject to tax	Income tax before credits, regular computation		Tax generated		Income tax before credits	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Returns with regular tax computation only										
Total	85,918,432	2,309,632,979	1,504,454,879	1,501,956,885	85,916,142	275,843,282	85,918,432	275,843,601	85,918,432	276,340,064
Under \$5,000	5,577,141	16,664,910	4,404,424	4,175,815	5,575,319	470,123	5,577,141	470,170	5,577,141	470,345
\$5,000 under \$10,000	11,509,325	87,121,242	33,205,369	32,419,525	11,508,857	4,131,825	11,509,325	4,131,899	11,509,325	4,138,745
\$10,000 under \$15,000	12,880,977	160,674,992	78,204,376	77,407,986	12,880,977	10,567,761	12,880,977	10,567,789	12,880,977	10,591,144
\$15,000 under \$20,000	11,186,151	194,892,549	112,531,883	111,839,726	11,186,151	15,757,024	11,186,151	15,757,106	11,186,151	15,820,011
\$20,000 under \$25,000	8,966,669	201,114,024	126,012,842	125,680,672	8,966,669	18,466,239	8,966,669	18,466,235	8,966,669	18,476,704
\$25,000 under \$30,000	7,458,270	204,537,148	133,690,306	133,482,753	7,458,270	20,722,423	7,458,270	20,722,443	7,458,270	20,760,939
\$30,000 under \$40,000	11,345,720	393,327,243	263,987,998	263,831,629	11,345,720	42,045,546	11,345,720	42,045,573	11,345,720	42,078,378
\$40,000 under \$50,000	7,635,375	340,238,964	234,966,726	234,925,238	7,635,375	40,084,326	7,635,375	40,084,311	7,635,375	40,164,804
\$50,000 under \$75,000	7,063,782	417,468,269	295,274,657	295,308,816	7,063,782	58,537,896	7,063,782	58,537,918	7,063,782	58,685,457
\$75,000 under \$100,000	1,337,121	112,956,488	81,288,228	81,343,955	1,337,121	19,631,476	1,337,121	19,631,466	1,337,121	19,655,163
\$100,000 under \$200,000	756,830	98,922,527	73,733,051	73,876,582	756,830	21,297,208	756,830	21,297,239	756,830	21,343,882
\$200,000 under \$500,000	169,461	48,255,066	38,909,819	39,032,371	169,461	13,408,664	169,461	13,408,678	169,461	13,418,134
\$500,000 under \$1,000,000	23,212	15,412,522	13,057,967	13,151,083	23,212	4,841,948	23,212	4,841,950	23,212	4,850,627
\$1,000,000 or more	8,398	18,047,035	15,187,233	15,480,735	8,398	5,880,822	8,398	5,880,823	8,398	5,885,732
Returns with 28% capital gains tax										
Total	3,238,231	419,868,040	340,504,541	245,730,941	3,238,231	104,303,623	3,238,231	95,798,392	3,238,231	95,999,259
Under \$5,000	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	5,534	157,072	137,104	100,538	5,534	27,933	5,534	27,514	5,534	27,514
\$30,000 under \$40,000	215,657	7,712,781	6,425,492	5,516,784	215,657	1,364,758	215,657	1,341,565	215,657	1,341,565
\$40,000 under \$50,000	203,642	9,101,145	7,392,061	6,225,490	203,642	1,736,316	203,642	1,682,734	203,642	1,682,734
\$50,000 under \$75,000	1,018,970	64,910,044	51,933,827	44,762,014	1,018,970	11,914,992	1,018,970	11,580,510	1,018,970	11,629,938
\$75,000 under \$100,000	717,804	61,691,170	47,992,336	40,426,065	717,804	12,144,714	717,804	11,676,621	717,804	11,729,406
\$100,000 under \$200,000	742,333	100,061,303	79,243,834	59,999,263	742,333	23,549,705	742,333	21,939,796	742,333	21,968,335
\$200,000 under \$500,000	256,816	74,867,348	61,389,451	42,432,891	256,816	21,194,662	256,816	19,313,321	256,816	19,351,155
\$500,000 under \$1,000,000	51,270	34,928,171	29,527,779	18,747,050	51,270	10,879,569	51,270	9,769,004	51,270	9,784,772
\$1,000,000 or more	26,205	66,439,006	56,462,658	27,520,846	26,205	21,490,974	26,205	18,467,325	26,205	18,483,840

Type of tax computation by size of adjusted gross income	Total credits		Income tax after credits		Alternative minimum tax		Total income tax				
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	As a percent of		Average income tax (dollars)
									Income subject to tax	Adjusted gross income	
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Returns with regular tax computation only											
Total	12,407,292	5,325,204	82,899,697	271,014,860	68,987	528,377	82,902,333	271,543,237	18.1	11.8	3,160
Under \$5,000	42,200	2,061	5,544,931	468,284	—	—	5,544,931	468,284	11.2	2.8	84
\$5,000 under \$10,000	1,445,313	270,067	10,183,258	3,868,678	454	401	10,183,712	3,869,080	11.9	4.4	336
\$10,000 under \$15,000	3,082,369	923,411	11,511,640	9,667,732	4	27	11,511,640	9,667,759	12.5	6.0	751
\$15,000 under \$20,000	1,267,481	500,165	11,048,046	15,319,846	861	1,214	11,048,476	15,321,060	13.7	7.9	1,370
\$20,000 under \$25,000	975,690	479,091	8,896,378	17,997,613	2,607	6,760	8,896,378	18,004,373	14.3	9.0	2,008
\$25,000 under \$30,000	979,444	417,265	7,430,998	20,343,674	3,679	12,551	7,430,999	20,356,225	15.3	10.0	2,729
\$30,000 under \$40,000	1,656,349	740,082	11,312,139	41,338,296	6,691	27,773	11,312,190	41,366,069	15.7	10.5	3,646
\$40,000 under \$50,000	1,286,926	585,583	7,621,478	39,579,221	3,124	16,828	7,621,630	39,596,049	16.9	11.6	5,186
\$50,000 under \$75,000	1,279,604	621,901	7,058,415	58,063,556	14,490	49,885	7,059,019	58,113,442	19.7	13.9	8,227
\$75,000 under \$100,000	235,934	178,968	1,336,250	19,476,195	12,273	67,509	1,336,401	19,543,704	24.0	17.3	14,616
\$100,000 under \$200,000	118,121	278,142	755,392	21,065,740	17,241	144,631	756,012	21,210,371	28.7	21.4	28,025
\$200,000 under \$500,000	29,382	162,284	169,195	13,255,850	6,487	130,626	169,360	13,386,476	34.3	27.7	78,994
\$500,000 under \$1,000,000	5,810	63,602	23,188	4,787,025	769	28,351	23,195	4,815,377	36.6	31.2	207,452
\$1,000,000 or more	2,669	102,583	8,389	5,783,149	307	41,822	8,390	5,824,970	37.6	32.3	693,614
Returns with 28% capital gains tax											
Total	468,759	970,035	3,237,734	95,029,224	39,360	642,151	3,238,123	95,671,375	38.9	22.8	29,544
Under \$5,000	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	5,534	27,514	—	—	5,534	27,514	27.4	17.5	4,972
\$30,000 under \$40,000	6,939	1,612	215,657	1,339,953	—	—	215,657	1,339,953	24.3	17.4	6,213
\$40,000 under \$50,000	10,299	3,893	203,642	1,678,841	240	971	203,642	1,679,812	27.0	18.5	8,249
\$50,000 under \$75,000	114,431	75,510	1,018,919	11,554,428	1,922	11,226	1,018,970	11,565,654	25.8	17.8	11,350
\$75,000 under \$100,000	117,472	117,854	717,564	11,611,552	1,820	8,132	717,176	11,619,684	28.7	18.8	16,188
\$100,000 under \$200,000	138,221	235,344	742,170	21,732,991	15,417	137,100	742,330	21,870,091	36.5	21.9	29,461
\$200,000 under \$500,000	56,661	180,736	256,786	19,170,419	15,020	219,558	256,802	19,389,977	45.7	25.9	75,501
\$500,000 under \$1,000,000	15,266	87,904	51,263	9,696,867	3,102	97,388	51,269	9,794,256	52.2	28.0	191,033
\$1,000,000 or more	9,470	267,181	26,199	18,216,659	1,839	167,776	26,203	18,384,435	66.8	27.7	701,562

* Estimate should be used with caution because of the small number of sample returns on which it is based

NOTE: Detail may not add to total because of rounding

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
Total	86,723,796	2,700,778,243	369,202,757	17,276,174	188,915,350	5,497,312	10,491,174	188,616,412	11,535,320
Under \$5,000	5,966,969	14,196,025	799,621	4,638,844	13,723,144	278,703	604,845	1,919,565	107,113
\$5,000 under \$10,000	10,236,957	76,639,907	3,986,029	5,057,910	34,653,770	985,807	3,029,444	24,200,117	1,473,751
\$10,000 under \$15,000	11,532,654	144,772,419	9,736,169	3,471,357	43,765,436	1,094,599	1,345,555	16,883,683	1,020,498
\$15,000 under \$20,000	11,053,892	192,621,135	15,337,745	2,128,508	36,365,866	1,140,057	1,981,078	34,742,268	2,089,773
\$20,000 under \$25,000	8,900,581	199,623,902	18,014,147	914,158	20,229,432	648,016	1,188,460	26,506,708	1,625,578
\$25,000 under \$30,000	7,440,040	204,048,673	20,395,356	449,340	12,193,575	410,934	828,070	22,586,695	1,389,916
\$30,000 under \$40,000	11,546,242	400,536,352	42,809,755	363,584	12,295,195	432,271	935,599	32,039,225	1,976,073
\$40,000 under \$50,000	7,839,002	349,348,086	41,345,871	145,274	6,398,344	228,585	381,957	16,971,629	1,062,167
\$50,000 under \$75,000	8,096,798	483,204,608	69,872,423	72,088	4,310,396	143,479	173,787	9,908,321	617,361
\$75,000 under \$100,000	2,061,641	175,234,447	31,277,163	20,356	1,719,868	53,765	11,689	977,527	59,180
\$100,000 under \$200,000	1,509,910	200,486,828	43,415,426	12,214	1,658,272	44,084	9,469	1,255,204	76,041
\$200,000 or more	539,110	260,065,861	72,213,051	2,541	1,602,054	37,011	1,221	625,470	37,869
Joint returns									
Total	41,410,472	1,883,276,332	264,625,833	6,115,523	113,748,570	3,413,239	4,983,648	130,003,565	7,964,068
Under \$5,000	13,662	-2,537,077	131,732	—	—	—	—	—	—
\$5,000 under \$10,000	416,364	3,693,207	102,791	**405,808	**3,617,160	**51,032	*1,818	*14,050	*867
\$10,000 under \$15,000	2,821,106	36,103,106	1,107,129	2,383,112	30,072,828	736,585	422,429	5,822,215	342,873
\$15,000 under \$20,000	4,033,690	70,658,836	3,776,843	1,636,929	27,976,185	889,314	1,468,135	25,863,787	1,549,550
\$20,000 under \$25,000	4,206,791	94,754,579	6,649,505	739,422	16,411,192	529,268	980,981	21,881,063	1,337,321
\$25,000 under \$30,000	4,333,744	119,051,070	9,679,964	397,335	10,794,196	370,672	714,852	19,479,109	1,198,920
\$30,000 under \$40,000	8,193,252	286,105,885	26,178,412	**456,465	**11,716,041	**589,109	849,910	29,140,870	1,799,623
\$40,000 under \$50,000	6,543,733	292,044,410	31,712,334	—	—	—	360,799	16,033,825	1,005,143
\$50,000 under \$75,000	7,215,386	431,124,165	59,765,016	65,119	3,878,235	130,126	166,153	9,468,182	589,952
\$75,000 under \$100,000	1,850,173	157,253,222	27,294,913	**29,173	**2,959,397	*84,761	10,181	852,665	52,700
\$100,000 under \$200,000	1,320,571	175,171,118	37,253,085	—	—	—	7,502	378,231	58,613
\$200,000 or more	462,000	219,853,812	60,974,108	2,160	1,323,336	32,373	888	469,570	28,506
Nonjoint returns									
Total	45,313,324	817,501,911	104,576,924	11,160,651	75,166,780	2,084,073	5,507,526	58,612,847	3,571,252
Under \$5,000	5,953,307	16,733,102	667,889	—	—	—	604,845	1,919,565	107,113
\$5,000 under \$10,000	9,820,593	72,946,700	3,883,238	**9,290,946	**44,759,754	**1,213,478	3,027,626	24,186,067	1,472,884
\$10,000 under \$15,000	8,711,548	108,669,312	8,629,039	1,088,245	13,692,608	358,015	923,126	11,061,468	677,625
\$15,000 under \$20,000	7,020,202	121,962,299	11,560,903	491,579	8,389,681	250,743	512,943	8,878,481	540,223
\$20,000 under \$25,000	4,693,790	104,869,323	11,364,642	174,736	3,818,239	118,749	207,479	4,625,646	288,258
\$25,000 under \$30,000	3,106,296	84,997,602	10,715,392	52,005	1,399,378	40,261	113,218	3,107,586	190,995
\$30,000 under \$40,000	3,352,990	114,430,467	16,631,343	**52,393	**1,977,499	**71,748	85,689	2,898,356	176,450
\$40,000 under \$50,000	1,295,269	57,303,677	9,633,537	—	—	—	21,158	937,804	57,025
\$50,000 under \$75,000	881,412	52,080,443	10,107,407	6,969	432,161	13,353	7,634	440,139	27,409
\$75,000 under \$100,000	211,468	17,981,225	3,982,250	**3,397	**418,743	**13,087	*1,508	*124,861	*6,480
\$100,000 under \$200,000	189,339	25,315,710	6,162,341	—	—	—	1,967	276,973	17,428
\$200,000 or more	77,110	40,212,049	11,238,943	381	278,718	4,638	333	155,899	9,363

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns									
Total	24,600,903	592,443,934	51,187,395	14,130,875	415,486,025	45,318,254	9,391,112	401,660,898	54,133,773
Under \$5,000	338,566	732,561	60,925	140,878	427,353	46,849	64,074	125,028	16,305
\$5,000 under \$10,000	1,929,160	16,117,713	1,257,520	108,155	927,993	96,899	71,780	483,045	61,301
\$10,000 under \$15,000	6,116,454	76,152,788	6,720,697	550,564	7,363,144	774,868	30,915	382,417	51,202
\$15,000 under \$20,000	2,598,583	45,788,128	3,871,420	4,173,158	72,659,978	7,789,181	149,444	2,645,891	339,414
\$20,000 under \$25,000	3,431,666	77,500,562	6,613,525	1,831,601	39,617,013	4,419,861	1,466,962	34,203,295	4,448,878
\$25,000 under \$30,000	2,804,457	77,173,880	6,638,935	1,394,681	38,359,583	4,069,730	1,221,717	32,723,730	4,547,060
\$30,000 under \$40,000	4,333,588	150,082,858	13,069,598	3,049,244	106,247,232	11,504,883	1,113,439	39,650,759	5,251,945
\$40,000 under \$50,000	2,181,288	95,738,463	8,313,642	1,664,523	74,355,462	8,215,727	2,321,104	104,295,298	13,983,960
\$50,000 under \$75,000	786,141	44,695,451	3,903,893	1,103,664	63,895,496	7,106,866	2,600,968	152,542,079	20,688,774
\$75,000 under \$100,000	63,763	5,352,489	463,814	88,118	7,218,139	799,654	267,535	22,268,179	3,059,026
\$100,000 under \$200,000	14,939	1,932,108	171,090	23,331	2,895,265	324,894	76,482	9,206,478	1,257,862
\$200,000 or more	2,298	1,176,933	102,335	2,958	1,519,367	168,844	6,692	3,134,699	428,055
Joint returns									
Total	12,619,323	417,966,671	36,001,360	6,351,972	262,347,106	28,645,969	5,333,897	289,018,193	30,950,166
Under \$5,000	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	*1,822	*11,347	*1,219	**3,636	**24,267	**3,345
\$10,000 under \$15,000	*9,093	*121,786	*9,679	*1,822	*25,845	*2,826	*3,640	*48,392	*6,742
\$15,000 under \$20,000	916,849	16,601,212	1,296,389	*5,455	*98,573	*11,019	—	—	—
\$20,000 under \$25,000	2,465,865	55,983,861	4,729,653	18,696	437,543	48,061	*1,824	*40,854	*5,154
\$25,000 under \$30,000	2,313,743	63,792,342	5,464,011	890,986	24,520,705	2,553,993	13,260	370,587	47,541
\$30,000 under \$40,000	3,965,434	137,817,582	12,005,836	2,658,720	93,149,619	10,052,810	373,220	14,253,919	1,815,007
\$40,000 under \$50,000	2,112,637	92,746,195	8,051,308	1,586,803	70,927,393	7,836,370	2,083,674	93,850,340	12,558,902
\$50,000 under \$75,000	759,947	43,221,126	3,776,844	1,080,513	62,555,715	6,957,664	2,520,207	147,871,672	20,046,106
\$75,000 under \$100,000	60,886	5,121,568	443,087	83,221	6,835,007	757,011	257,911	21,474,167	2,950,525
\$100,000 under \$200,000	13,408	1,708,079	151,962	21,727	2,698,835	303,943	70,770	8,521,513	1,166,261
\$200,000 or more	1,461	852,921	72,591	2,207	1,086,524	121,052	5,755	2,562,481	350,595
Nonjoint returns									
Total	11,981,580	174,477,263	15,186,035	7,778,903	153,138,920	16,672,285	4,057,215	112,642,705	15,183,606
Under \$5,000	338,566	732,561	60,925	140,878	427,353	46,849	—	—	—
\$5,000 under \$10,000	1,929,160	16,117,713	1,257,520	106,333	916,645	95,680	**132,218	**583,806	**74,261
\$10,000 under \$15,000	6,107,361	76,031,002	6,711,018	548,742	7,337,299	772,042	27,275	334,025	44,460
\$15,000 under \$20,000	1,681,734	29,186,916	2,575,032	4,167,703	72,561,405	7,778,161	149,444	2,645,891	339,414
\$20,000 under \$25,000	965,801	21,516,701	1,883,872	1,812,905	39,179,470	4,371,800	1,465,138	34,162,441	4,443,724
\$25,000 under \$30,000	490,714	13,381,538	1,174,925	503,695	13,838,878	1,515,737	1,208,457	32,353,143	4,499,520
\$30,000 under \$40,000	368,154	12,265,276	1,063,762	390,524	13,097,612	1,452,073	740,219	25,396,840	3,436,938
\$40,000 under \$50,000	68,651	2,992,268	262,333	77,720	3,428,070	379,357	237,430	10,444,598	1,425,048
\$50,000 under \$75,000	26,194	1,474,326	127,050	23,151	1,339,781	149,201	80,761	4,670,407	642,668
\$75,000 under \$100,000	*2,877	*230,920	*20,727	4,897	383,133	42,643	9,624	794,011	108,501
\$100,000 under \$200,000	1,531	224,029	19,128	1,604	196,430	20,951	5,712	684,965	91,602
\$200,000 or more	837	324,012	29,744	751	432,844	47,792	937	572,217	77,470

Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	
All returns	4,085,551	210,253,923	33,560,480	5,791,678	456,179,177	93,130,638	675,405	148,100,640	40,301,312
Under \$5,000	25,459	46,970	7,632	94,984	258,249	55,206	29,099	98,847	27,014
\$5,000 under \$10,000	—	—	—	*9,092	*49,472	*11,349	*13,587	*94,057	*25,900
\$10,000 under \$15,000	*1,818	*22,029	*3,529	*2,249	*28,093	*5,991	*1,819	*18,510	*4,720
\$15,000 under \$20,000	*10,910	*207,806	*32,283	*4,847	*89,078	*17,719	*1,819	*28,755	*7,638
\$20,000 under \$25,000	60,423	1,401,714	220,301	*5,019	*114,031	*20,771	*1,819	*39,798	*10,783
\$25,000 under \$30,000	707,526	20,053,166	3,135,298	32,028	899,055	161,741	—	—	—
\$30,000 under \$40,000	785,903	25,941,895	4,198,678	957,983	34,039,558	6,297,944	*4,629	*160,181	*44,024
\$40,000 under \$50,000	426,832	19,679,406	3,100,602	708,896	31,488,941	6,317,807	*6,117	*279,308	*74,266
\$50,000 under \$75,000	1,585,745	95,574,533	15,268,149	1,709,395	108,034,795	20,910,408	54,212	3,585,914	943,810
\$75,000 under \$100,000	372,410	31,310,861	5,018,141	1,172,684	100,781,426	20,227,575	53,877	4,652,017	1,252,690
\$100,000 under \$200,000	100,710	12,425,960	2,000,010	956,085	123,784,184	26,535,233	281,927	42,193,594	11,299,660
\$200,000 or more	7,815	3,589,583	575,858	138,416	56,612,294	12,568,896	262,500	96,949,659	26,610,801
Joint returns	2,226,992	147,964,512	23,607,061	3,191,296	326,300,665	66,666,325	414,031	116,127,182	31,648,528
Under \$5,000	—	—	—	*1,819	*7,905	*1,624	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	*4,417	*82,144	*16,381	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	*1,383	*35,687	*5,947	*433	*12,640	*3,103	—	—	—
\$30,000 under \$40,000	11,158	413,948	64,883	*3,006	*111,315	*21,549	*240	*8,896	*2,258
\$40,000 under \$50,000	254,730	12,076,709	1,875,199	14,373	653,148	122,710	*1,496	*64,804	*18,981
\$50,000 under \$75,000	1,494,079	90,211,462	14,402,934	1,117,645	73,189,173	13,560,326	*3,163	*202,852	*55,818
\$75,000 under \$100,000	361,618	30,366,444	4,867,383	1,048,557	90,240,869	17,921,820	2,590	231,491	59,880
\$100,000 under \$200,000	97,421	11,947,446	1,922,910	879,799	113,842,153	24,321,003	207,721	32,079,447	8,562,058
\$200,000 or more	6,603	2,912,815	467,805	121,247	48,161,318	10,697,808	198,821	83,539,692	22,949,534
Nonjoint returns	1,858,559	62,289,411	9,953,418	2,600,382	129,878,513	26,464,314	261,374	31,973,458	8,652,783
Under \$5,000	25,459	46,970	7,632	93,165	250,344	53,582	29,099	98,847	27,014
\$5,000 under \$10,000	—	—	—	*9,092	*49,472	*11,349	*13,587	*94,057	*25,900
\$10,000 under \$15,000	*1,818	*22,029	*3,529	*2,249	*28,093	*5,991	*1,819	*18,510	*4,720
\$15,000 under \$20,000	*10,910	*207,806	*32,283	*430	*6,934	*1,339	*1,819	*28,755	*7,638
\$20,000 under \$25,000	60,423	1,401,714	220,301	*5,019	*114,031	*20,771	*1,819	*39,798	*10,783
\$25,000 under \$30,000	706,143	20,017,479	3,129,351	31,595	886,415	158,638	—	—	—
\$30,000 under \$40,000	774,745	25,527,947	4,133,795	954,977	33,928,244	6,276,395	*4,389	*151,285	*41,765
\$40,000 under \$50,000	172,102	7,602,697	1,225,402	694,523	30,835,793	6,195,096	*4,621	*214,504	*55,285
\$50,000 under \$75,000	91,666	5,363,070	865,215	591,750	34,845,622	7,350,082	51,049	3,383,062	887,993
\$75,000 under \$100,000	10,792	944,417	150,759	124,127	10,540,557	2,305,755	51,287	4,420,527	1,192,816
\$100,000 under \$200,000	3,289	478,514	77,100	76,286	9,942,032	2,214,230	74,206	10,114,147	2,737,602
\$200,000 or more	1,212	676,768	108,052	17,169	8,450,976	1,871,087	27,679	13,409,966	3,661,267

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All returns	245,811	101,252,339	33,661,163	15,867	1,004,710	610,730	19,246	- 3,135,165	266,381
Under \$5,000	*12,735	*43,915	*13,566	*1,819	*8,644	*7,320	15,666	- 3,188,251	178,988
\$5,000 under \$10,000	*14,549	*93,407	*31,377	*83	*646	*472	*3,197	*19,689	*41,654
\$10,000 under \$15,000	*10,910	*144,243	*51,621	*1,007	*11,993	*8,051	*6	*83	*393
\$15,000 under \$20,000	*1,820	*35,363	*12,390	*3,636	*56,353	*35,976	*92	*1,715	*1,944
\$20,000 under \$25,000	..	..	..	*470	*11,284	*6,385	..	..	..
\$25,000 under \$30,000	*554	*15,532	*6,743	*1,623	*42,248	*33,327	*44	*1,208	*1,672
\$30,000 under \$40,000	*1,223	*43,742	*13,769	*1,002	*33,866	*18,515	*48	*1,841	*2,055
\$40,000 under \$50,000	*2,905	*136,522	*45,560	*101	*4,486	*2,909	5	227	657
\$50,000 under \$75,000	7,812	482,942	184,111	*2,929	*171,648	*98,795	57	3,032	6,777
\$75,000 under \$100,000	10,243	871,913	295,185	949	80,511	45,431	17	1,517	2,696
\$100,000 under \$200,000	33,303	4,948,822	1,578,119	1,364	176,282	115,090	86	10,657	13,343
\$200,000 or more	149,757	94,435,938	31,428,720	884	406,750	238,460	28	13,115	16,203
Joint returns	150,842	81,495,440	27,028,851	11,177	815,304	493,756	11,771	- 2,510,876	206,508
Under \$5,000	—	—	—	*1,819	*8,644	*7,320	8,205	- 2,562,455	121,560
\$5,000 under \$10,000	*1,819	*14,878	*5,430	*83	*646	*472	*3,197	*19,689	*41,654
\$10,000 under \$15,000	..	..	..	*1,004	*11,957	*8,032	*6	*83	*393
\$15,000 under \$20,000	*5,168	*187,382	*62,984	..	..	..	*184	*4,875	*6,181
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	*1,623	*42,248	*33,327	..	..	..
\$30,000 under \$40,000	..	..	..	*1,002	*33,866	*18,515	..	..	..
\$40,000 under \$50,000	..	..	..	*3	*127	*68	..	..	..
\$50,000 under \$75,000	5,616	353,529	142,063	*2,890	*169,365	*96,945	*54	*2,855	*6,238
\$75,000 under \$100,000	5,071	432,755	157,159	709	60,582	32,433	*100	*11,807	*15,538
\$100,000 under \$200,000	11,021	1,886,643	604,449	1,358	175,240	114,504	..	..	..
\$200,000 or more	122,147	78,620,253	26,056,766	686	312,629	182,142	25	12,270	14,945
Nonjoint returns	94,969	19,756,899	6,632,312	4,690	189,406	116,974	7,475	- 624,290	59,873
Under \$5,000	*12,735	*43,915	*13,566	—	—	—	7,461	- 625,796	57,428
\$5,000 under \$10,000	*12,730	*78,529	*25,948	—	—	—	—	—	—
\$10,000 under \$15,000	*10,910	*144,243	*51,621	*3	*35	*19	—	—	—
\$15,000 under \$20,000	—	—	—	*3,636	*56,353	*35,976	*5	*116	*147
\$20,000 under \$25,000	—	—	—	*470	*11,284	*6,385	—	—	—
\$25,000 under \$30,000	*1,334	*43,777	*15,479	—	—	—	—	—	—
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	*98	*4,358	*2,841	..	..	..
\$50,000 under \$75,000	*2,196	*129,413	*42,048	*39	*2,284	*1,850	3	178	539
\$75,000 under \$100,000	5,172	439,159	138,026	*240	*19,930	*12,999	*3	*367	*500
\$100,000 under \$200,000	22,282	3,062,180	973,670	*6	*1,042	*586	..	..	..
\$200,000 or more	27,610	15,815,684	5,371,954	198	94,121	56,318	3	844	1,258

* Estimate should be used with caution because of the small number of sample returns on which it is based

** Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to total because of rounding

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability			Total tax credits			Total			Child care credit			Credit for the elderly and disabled			Earned income credit used to offset income tax before credits		
		Number of returns	Amount	(3)	Number of returns	Amount	(5)	Number of returns	Amount	(7)	Number of returns	Amount	(9)	Number of returns	Amount	(11)	Number of returns	Amount	(13)
All returns, total																			
No adjusted gross income	841,509	176,779	384,538,143	12,901,020	6,329,438	11,888,059	4,169,617	8,519,523	3,438,314	354,308	66,633	3,708,044	641,867						
\$1 under \$1,000	2,849,870	813,964	47,632	1,721	13	—	—	—	—	—	—	—	—						
\$1,000 under \$2,000	3,687,486	1,123,950	102,909	1,720	41	—	—	—	—	—	—	—	—						
\$2,000 under \$3,000	3,746,316	1,391,742	162,106	1,721	68	—	—	—	—	—	—	—	—						
\$3,000 under \$4,000	3,353,241	1,475,659	259,131	5,814	310	1,818	236	—	—	—	—	—	—						
\$4,000 under \$5,000	3,337,849	1,769,827	337,237	33,902	2,747	21,823	873	—	—	—	—	—	—						
\$5,000 under \$6,000	3,306,589	2,162,487	556,623	51,250	3,416	49,100	3,230	—	—	—	—	—	—						
\$6,000 under \$7,000	3,115,543	2,074,836	652,505	255,605	17,893	245,934	16,633	—	—	—	—	—	—						
\$7,000 under \$8,000	3,204,919	2,195,299	913,208	321,166	48,687	313,648	47,045	—	—	—	—	—	—						
\$8,000 under \$9,000	3,095,315	2,182,037	1,168,145	360,970	72,208	341,906	68,878	—	—	—	—	—	—						
\$9,000 under \$10,000	2,975,075	2,116,115	1,362,850	459,004	128,103	446,375	123,249	—	—	—	—	—	—						
\$10,000 under \$11,000	2,963,767	2,268,931	1,585,475	552,091	160,819	536,446	156,548	—	—	—	—	—	—						
\$11,000 under \$12,000	2,809,395	2,298,455	1,892,249	557,330	184,655	544,543	181,689	—	—	—	—	—	—						
\$12,000 under \$13,000	2,770,699	2,375,758	2,156,640	623,762	204,704	605,019	197,271	—	—	—	—	—	—						
\$13,000 under \$14,000	2,733,013	2,506,569	2,474,180	671,588	200,540	653,607	192,889	—	—	—	—	—	—						
\$14,000 under \$15,000	2,559,563	2,419,995	2,676,042	678,028	172,734	660,398	163,128	—	—	—	—	—	—						
\$15,000 under \$16,000	2,499,483	2,422,209	2,949,045	404,492	106,393	395,137	101,972	—	—	—	—	—	—						
\$16,000 under \$17,000	2,301,099	2,244,386	3,063,540	191,465	79,124	179,132	75,631	—	—	—	—	—	—						
\$17,000 under \$18,000	2,292,106	2,241,012	3,268,859	239,063	105,848	219,055	96,075	—	—	—	—	—	—						
\$18,000 under \$19,000	2,195,515	2,149,548	3,444,935	228,900	108,210	204,698	89,711	—	—	—	—	—	—						
\$19,000 under \$20,000	2,121,480	2,092,105	3,596,274	203,561	100,590	184,609	86,334	—	—	—	—	—	—						
\$20,000 under \$25,000	9,055,809	8,955,527	19,336,865	976,082	479,096	889,796	391,867	—	—	—	—	—	—						
\$25,000 under \$30,000	7,494,827	7,459,766	21,569,607	979,913	418,472	911,911	349,820	—	—	—	—	—	—						
\$30,000 under \$40,000	11,604,644	11,571,431	45,015,441	1,666,909	747,255	1,572,176	592,013	—	—	—	—	—	—						
\$40,000 under \$50,000	7,848,694	7,862,901	43,193,043	1,300,549	593,863	1,210,337	468,893	—	—	—	—	—	—						
\$50,000 under \$75,000	8,110,447	8,102,007	72,480,753	1,398,654	699,147	1,263,973	552,870	—	—	—	—	—	—						
\$75,000 under \$100,000	2,064,189	2,062,105	32,385,572	355,076	298,558	275,933	129,360	—	—	—	—	—	—						
\$100,000 under \$200,000	1,513,654	1,510,941	44,775,791	260,295	520,230	132,712	63,345	—	—	—	—	—	—						
\$200,000 under \$500,000	429,671	429,212	33,371,671	86,597	351,811	24,142	13,205	—	—	—	—	—	—						
\$500,000 under \$1,000,000	75,352	75,268	14,816,749	21,348	152,721	3,133	1,681	—	—	—	—	—	—						
\$1,000,000 or more	34,944	34,878	24,551,414	12,184	370,834	998	692	—	—	—	—	—	—						
Taxable returns, total																			
No adjusted gross income	8,388	8,388	163,349	248	295	240	6	—	—	—	—	—	—						
\$1 under \$1,000	744,168	744,168	23,813	430	3	—	—	—	—	—	—	—	—						
\$1,000 under \$2,000	1,006,300	1,006,300	77,107	1,720	41	—	—	—	—	—	—	—	—						
\$2,000 under \$3,000	1,226,315	1,226,315	113,036	1,721	68	—	—	—	—	—	—	—	—						
\$3,000 under \$4,000	1,313,280	1,313,280	189,097	1,720	26	—	—	—	—	—	—	—	—						
\$4,000 under \$5,000	1,668,518	1,668,518	295,109	5,259	589	—	—	—	—	—	—	—	—						
\$5,000 under \$6,000	2,079,418	2,079,418	512,030	3,538	179	1,818	162	—	—	—	—	—	—						
\$6,000 under \$7,000	2,008,103	2,008,103	618,060	19,755	1,218	15,884	1,096	—	—	—	—	—	—						
\$7,000 under \$8,000	2,084,563	2,084,563	865,275	23,974	1,744	21,824	1,657	—	—	—	—	—	—						
\$8,000 under \$9,000	2,051,853	2,051,853	1,089,857	24,741	6,166	16,367	4,564	—	—	—	—	—	—						
\$9,000 under \$10,000	2,013,020	2,013,020	1,301,062	48,552	16,007	45,896	15,290	—	—	—	—	—	—						
\$10,000 under \$11,000	2,185,955	2,185,955	1,520,039	125,660	43,719	119,968	42,221	—	—	—	—	—	—						
\$11,000 under \$12,000	2,216,053	2,216,053	1,834,779	178,356	66,419	172,663	65,846	—	—	—	—	—	—						
\$12,000 under \$13,000	2,313,483	2,313,483	2,099,713	315,304	101,138	310,856	100,076	—	—	—	—	—	—						
\$13,000 under \$14,000	2,450,646	2,450,646	2,415,051	507,411	132,936	498,183	148,944	—	—	—	—	—	—						
\$14,000 under \$15,000	2,366,517	2,366,517	2,620,457	586,731	132,353	575,428	127,796	—	—	—	—	—	—						
\$15,000 under \$16,000	2,405,227	2,405,227	2,930,775	367,199	88,220	360,577	86,249	—	—	—	—	—	—						
\$16,000 under \$17,000	2,225,727	2,225,727	3,041,728	162,838	62,070	153,668	60,224	—	—	—	—	—	—						
\$17,000 under \$18,000	2,220,134	2,220,134	3,245,162	209,662	86,689	199,042	85,350	—	—	—	—	—	—						
\$18,000 under \$19,000	2,135,245	2,135,245	3,429,335	205,620	87,778	192,849	83,058	—	—	—	—	—	—						
\$19,000 under \$20,000	2,067,559	2,067,559	3,557,770	184,487	82,801	170,861	78,259	—	—	—	—	—	—						
\$20,000 under \$25,000	8,900,581	8,900,581	19,230,959	905,791	386,975	856,385	367,444	—	—	—	—	—	—						
\$25,000 under \$30,000	7,440,040	7,440,040	21,545,619	952,173	404,098	904,098	346,006	—	—	—	—	—	—						
\$30,000 under \$40,000	11,546,242	11,546,242	44,960,547	1,633,379	646,979	1,562,600	585,377	—	—	—	—	—	—						
\$40,000 under \$50,000	7,839,002	7,839,002	43,164,540	1,286,804	683,475	1,207,438	467,808	—	—	—	—	—	—						
\$50,000 under \$75,000	8,096,798	8,096,798	72,463,790	1,393,891	683,475	1,262,926	552,662	—	—	—	—	—	—						
\$75,000 under \$100,000	2,061,641	2,061,641	32,384,853	354,268	283,866	275,983	129,355	—	—	—	—	—	—						
\$100,000 under \$200,000	1,509,910	1,509,910	44,773,215	259,474	495,041	132,700	65,224	—	—	—	—	—	—						
\$200,000 under \$500,000	429,035	429,035	33,371,057	86,480	343,341	22,262	14,877	—	—	—	—	—	—						
\$500,000 under \$1,000,000	75,228	75,228	14,816,581	21,330	149,268	2,330	692	—	—	—	—	—	—						
\$1,000,000 or more	34,847	34,847	24,551,110	12,174	364,249	998	778	—	—	—	—	—	—						
Non-taxable returns, total																			
No adjusted gross income	8,388	8,388	163,349	248	295	240	6	—	—	—	—	—	—						
\$1 under \$1,000	744,168	744,168	23,813	430	3	—	—	—	—	—	—	—	—						
\$1,000 under \$2,000	1,006,300	1,006,300	77,107	1,720	41	—	—	—	—	—	—	—	—						
\$2,000 under \$3,000	1,226,315	1,226,315	113,036	1,721	68	—	—	—	—	—	—	—	—						
\$3,000 under \$4,000	1,313,280	1,313,280	189,097	1,720	26	—	—	—	—	—	—	—	—						
\$4,000 under \$5,000	1,668,518	1,668,518	295,109	5,259	589	—	—	—	—	—	—	—	—						
\$5,000 under \$6,000	2,079,418	2,079,418	512,030	3,538	179	1,													

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Personal credits—Continued			Foreign tax credit		General business credits			Other tax credits			Income tax after credits			Total income tax																
	Mortgage interest credit		(15)	Number of returns	Amount	(16)	Number of returns	Amount	(17)	(18)	Number of returns	Amount	(19)	Number of returns	Amount	(20)	Number of returns	Amount	(21)	Number of returns	Amount	(22)	Number of returns	Amount	(23)	Number of returns	Amount	(24)	Number of returns	Amount	(25)
	Number of returns	Amount																													
All returns, total	9,599	3,515	559,555	1,099,484	514,112	1,018,624	32,053	41,713	86,694,480	367,527,687	86,723,796	369,202,757																			
No adjusted gross income	—	—	*10	*1	*18	*340	—	—	—	258	619	8,388	156,578																		
\$1 under \$1,000	—	—	*1,721	*13	—	—	—	—	—	744,167	23,637	744,168	23,666																		
\$1,000 under \$2,000	—	—	*1,720	*41	—	—	—	—	—	1,006,300	74,474	1,006,300	74,474																		
\$2,000 under \$3,000	—	—	*1,721	*68	—	—	—	—	—	1,226,314	109,167	1,226,315	109,169																		
\$3,000 under \$4,000	—	—	*2,173	*68	*1,823	*5	—	—	—	1,313,278	183,087	1,313,280	183,219																		
\$4,000 under \$5,000	—	—	*3,893	*194	*8,186	*1,680	—	—	—	1,668,516	251,860	1,668,518	252,515																		
\$5,000 under \$6,000	—	—	*2,150	*187	—	—	—	—	—	2,078,947	441,943	2,079,418	450,153																		
\$6,000 under \$7,000	—	—	4,731	327	*4,940	*933	—	—	—	2,007,393	539,923	2,008,103	548,634																		
\$7,000 under \$8,000	—	—	*3,871	*920	*3,647	*722	—	—	—	2,084,478	787,390	2,084,563	787,944																		
\$8,000 under \$9,000	—	—	6,067	687	*12,997	*2,643	—	—	—	2,051,755	1,000,670	2,051,853	1,002,960																		
\$9,000 under \$10,000	—	—	4,400	854	*9,988	*3,999	—	—	—	2,012,468	1,191,283	2,013,020	1,196,337																		
\$10,000 under \$11,000	—	—	6,071	1,050	*10,434	*3,220	—	—	—	2,185,954	1,385,308	2,185,955	1,385,308																		
\$11,000 under \$12,000	—	—	5,161	799	*9,878	*2,167	—	—	—	2,216,053	1,709,370	2,216,053	1,709,397																		
\$12,000 under \$13,000	—	—	3,967	1,329	*15,206	*6,103	—	—	—	2,313,384	1,939,012	2,313,483	1,939,698																		
\$13,000 under \$14,000	—	—	4,731	640	14,110	7,012	—	—	—	2,450,645	2,267,614	2,450,646	2,267,792																		
\$14,000 under \$15,000	—	—	5,383	1,185	*14,499	*8,421	—	—	—	2,366,045	2,433,316	2,366,517	2,433,974																		
\$15,000 under \$16,000	—	—	5,719	1,469	*5,888	*2,952	—	—	—	2,405,226	2,777,629	2,405,227	2,777,712																		
\$16,000 under \$17,000	—	—	8,222	3,088	*4,111	*404	—	—	—	2,225,727	2,893,417	2,225,727	2,894,161																		
\$17,000 under \$18,000	—	*669	1,489	1,489	13,405	8,285	—	—	—	2,220,132	3,061,298	2,220,134	3,061,399																		
\$18,000 under \$19,000	—	—	6,021	1,169	18,181	17,331	—	—	—	2,134,731	3,224,876	2,135,245	3,226,984																		
\$19,000 under \$20,000	—	—	4,957	2,395	14,965	9,861	—	—	—	2,067,555	3,377,395	2,067,559	3,377,490																		
\$20,000 under \$25,000	—	*269	36,087	12,072	55,893	75,024	*469	—	*133	8,897,677	18,000,263	8,900,581	18,014,147																		
\$25,000 under \$30,000	—	*906	27,302	14,443	46,131	53,943	*905	—	*265	7,439,389	20,377,233	7,440,040	20,395,356																		
\$30,000 under \$40,000	—	*1,591	47,641	42,557	56,965	109,195	*863	—	*3,491	11,545,188	42,772,525	11,546,242	42,809,755																		
\$40,000 under \$50,000	—	—	51,633	40,277	40,325	81,227	*5,971	—	*2,876	41,314,979	7,835,564	41,345,871	41,345,871																		
\$50,000 under \$75,000	—	—	100,716	64,990	46,340	79,892	*2,574	—	*1,394	69,780,754	8,094,184	69,780,754	8,096,798																		
\$75,000 under \$100,000	—	—	57,613	84,077	26,215	82,958	3,545	—	2,163	2,059,809	31,182,567	2,061,641	31,277,163																		
\$100,000 under \$200,000	—	—	87,614	277,045	45,202	171,472	8,562	—	6,487	43,079,900	1,509,910	43,415,426	43,415,426																		
\$200,000 under \$500,000	*3	*80	42,797	226,577	22,609	101,820	5,800	—	10,209	32,548,800	429,035	32,978,242	32,978,242																		
\$500,000 under \$1,000,000	—	—	11,808	91,806	6,964	54,459	2,153	—	4,775	14,570,315	75,228	14,745,147	14,745,147																		
\$1,000,000 or more	—	—	7,052	227,666	5,192	132,556	1,211	—	9,921	24,227,062	34,847	24,489,662	24,489,662																		
Taxable returns, total	†	†	526,301	983,119	311,841	748,745	30,109	40,854	86,694,480	367,527,687	86,723,796	369,202,757																			
No adjusted gross income	—	—	†	†	*7	*289	—	—	—	258	619	8,388	156,578																		
\$1 under \$1,000	—	—	†	†	—	—	—	—	—	744,167	23,637	744,168	23,666																		
\$1,000 under \$2,000	—	—	*1,720	*41	—	—	—	—	—	1,006,300	74,474	1,006,300	74,474																		
\$2,000 under \$3,000	—	—	*1,721	*68	—	—	—	—	—	1,226,314	109,167	1,226,315	109,169																		
\$3,000 under \$4,000	—	—	*1,720	*26	—	—	—	—	—	1,313,278	183,087	1,313,280	183,219																		
\$4,000 under \$5,000	—	—	*3,440	*129	*1,819	*460	—	—	—	1,668,516	251,860	1,668,518	252,515																		
\$5,000 under \$6,000	—	—	*1,720	*17	—	—	—	—	—	2,078,947	441,943	2,079,418	450,153																		
\$6,000 under \$7,000	—	—	*3,871	*122	—	—	—	—	—	2,007,393	539,923	2,008,103	548,634																		
\$7,000 under \$8,000	—	—	*2,150	*86	—	—	—	—	—	2,084,478	787,390	2,084,563	787,944																		
\$8,000 under \$9,000	—	—	4,730	140	*3,644	*1,461	—	—	—	2,051,755	1,000,670	2,051,853	1,002,960																		
\$9,000 under \$10,000	—	—	*3,087	*716	—	—	—	—	—	2,012,468	1,191,283	2,013,020	1,196,337																		
\$10,000 under \$11,000	—	—	4,730	549	*1,822	*949	—	—	—	2,185,954	1,385,308	2,185,955	1,385,308																		
\$11,000 under \$12,000	—	—	4,301	304	*1,822	*270	—	—	—	2,216,053	1,709,370	2,216,053	1,709,397																		
\$12,000 under \$13,000	—	—	*2,630	*507	*1,818	*554	—	—	—	2,313,384	1,939,012	2,313,483	1,939,698																		
\$13,000 under \$14,000	—	—	4,301	619	*4,927	*3,373	—	—	—	2,450,645	2,267,614	2,450,646	2,267,792																		
\$14,000 under \$15,000	—	—	4,523	1,007	*7,210	*3,551	—	—	—	2,366,045	2,433,316	2,366,517	2,433,974																		
\$15,000 under \$16,000	—	—	5,288	758	*1,764	*1,213	—	—	—	2,405,226	2,777,629	2,405,227	2,777,712																		
\$16,000 under \$17,000	—	—	6,881	1,553	*2,289	*293	—	—	—	2,225,727	2,893,417	2,225,727	2,894,161																		
\$17,000 under \$18,000	—	—	5,692	958	*4,928	*380	—	—	—	2,220,132	3,061,298	2,220,134	3,061,399																		
\$18,000 under \$19,000	—	—	6,021	1,169	*6,750	*3,550	—	—	—	2,134,731	3,224,876	2,135,245	3,226,984																		
\$19,000 under \$20,000	—	—	4,097	975	*9,959	*3,567	—	—	—	2,067,555	3,377,395	2,067,559	3,377,490																		
\$20,000 under \$25,000	—	—	33,736	7,646	17,262	11,885	—	—	—	8,897,677	18,000,263	8,900,581	18,014,147																		
\$25,000 under \$30,000	—	—	23,657	4,682	29,380	20,510	—	—	—	7,439,389	20,377,233	7,440,040	20,395,356																		
\$30,000 under \$40,000	—	—	40,859	16,519	41,593	11,545,188	*863	—	*3,491	11,545,188	42,772,525	11,546,242	42,809,755																		
\$40,000 under \$50,000	—	—	49,660	31,251	30,933	46,176	*5,971	—	*2,876	41,314,979	7,835,564	41,345,871	41,345,871																		
\$50,000 under \$75,000	—	—	99,769	57,101	44,088	72,675	*2,007	—	*1,037	69,780,754	8,096,798	69,780,754	8,096,798																		
\$75,000 under \$100,000	—	—	56,918	71,415	26,052	80,933	3,545	—	2,163	31,182,567	2,061,641	31,277,163	31,277,163																		
\$100,000 under \$200,000	—	—	87,108	257,018	44,887	166,313	8,562	—	6,487	43,079,900	1,509,910	43,415,426	43,415,426																		
\$200,000 under \$500,000	—	—	42,706	218,301	*29,546	*156,193	5,797	—	10,105	32,548,800	429,035	32,978,242	32,978,242																		
\$500,000 under \$1,000,000	—	—	11,792	88,358	—	—	2,153	—	4,775	14,570,315	75,228	14,745,147	14,745,147																		
\$1,000,000 or more	—	—	7,042	221,080	5,192	132,556	1,211	—	9,921	24,227,062	34,847	24,489,662	24,489,662																		
Nontaxable returns, total	†	†	33,254	116,365	202,271	269,878	*1,944	*860	—	—	—	—	—																		

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alternative minimum tax		Total		Tax from recomputing prior-year investment credit		Penalty tax on individual retirement arrangements		Self-employment tax		Social security taxes on tip income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All returns, total	139,779	1,674,898	12,364,416	15,693,523	524,151	223,532	1,308,570	506,961	10,610,723	14,936,462	143,423	23,195
No adjusted gross income	8,125	155,788	171,948	216,454	21,307	27,012	12,097	6,058	147,704	183,360	—	—
\$1 under \$1,000	..	..	91,134	27,163	*905	*398	—	—	150,281	26,765	—	—
\$1,000 under \$2,000	..	..	152,190	33,748	*84	*576	*1,825	*1,626	150,281	31,546	—	—
\$2,000 under \$3,000	..	..	219,009	61,666	*4,113	*1,224	*5,455	*1,202	207,625	59,176	*1,819	*64
\$3,000 under \$4,000	*6	*816	228,839	91,309	*905	*88	*7,516	*796	221,566	90,096	*1,818	*329
\$4,000 under \$5,000	..	..	268,607	113,546	*241	*2	..	*1,379	250,181	111,694	*10,909	*471
\$5,000 under \$6,000	*471	*8,210	274,460	143,958	*6,601	*651	*7,274	*1,733	254,457	140,925	*7,273	*649
\$6,000 under \$7,000	*710	*8,711	277,883	160,943	*4,933	*361	*7,274	*2,08	276,069	160,374	..	..
\$7,000 under \$8,000	*85	*554	285,839	175,477	*7,290	*760	*7,275	*1,820	265,826	171,603	*9,094	*1,294
\$8,000 under \$9,000	*98	*2,290	310,734	215,113	*7,375	*48	*10,919	*1,274	288,573	212,757	*9,333	*1,035
\$9,000 under \$10,000	*553	*5,054	273,499	207,401	*5,039	*1,064	*9,521	*1,599	258,951	204,036	*7,277	*703
\$10,000 under \$11,000	..	..	293,801	223,388	*5,846	*378	*3,640	*597	281,983	221,473	*7,273	*940
\$11,000 under \$12,000	*4	*27	258,387	202,150	*5,027	*633	*12,747	*2,492	247,913	197,840	*5,454	*1,185
\$12,000 under \$13,000	*100	*863	263,368	224,588	*10,915	*996	*9,097	*1,425	241,121	220,860	*9,095	*1,308
\$13,000 under \$14,000	..	..	231,324	212,801	*4,975	*1,004	*10,906	*2,917	218,602	208,370	*3,641	*510
\$14,000 under \$15,000	*473	*741	272,346	245,118	*3,117	..	..	3,782	251,885	241,235	*1,818	*67
\$15,000 under \$16,000	..	..	207,103	171,408	*1,820	*94	20,919	5,866	191,648	165,267	*1,818	*182
\$16,000 under \$17,000	*432	*845	184,693	169,380	*3,206	*59	*15,937	*2,281	167,379	165,906	*3,637	*1,133
\$17,000 under \$18,000	..	..	204,579	207,460	*1,047	*1,543	*10,914	*3,255	192,622	202,335	*1,818	*327
\$18,000 under \$19,000	*515	*2,108	223,900	217,950	*2,241	*70	16,836	5,944	203,907	211,058	*3,636	*878
\$19,000 under \$20,000	*4	*94	201,318	218,784	*2,805	*125	12,551	9,163	170,406	207,566	*5,455	*1,931
\$20,000 under \$25,000	*5,511	*13,884	1,134,159	1,322,718	29,215	3,443	96,760	24,469	1,014,895	1,289,961	19,122	4,844
\$25,000 under \$30,000	4,329	18,123	982,723	1,174,251	36,953	8,183	120,166	31,246	857,917	1,134,179	*4,577	*616
\$30,000 under \$40,000	8,163	37,229	1,726,128	2,205,687	70,332	25,996	259,296	83,684	1,475,291	2,113,042	14,210	1,929
\$40,000 under \$50,000	6,650	30,892	1,225,495	1,847,175	51,326	12,676	237,913	77,946	912,209	1,755,602	*7,385	*952
\$50,000 under \$75,000	19,886	91,669	1,377,130	2,608,330	85,897	18,440	269,004	121,714	1,080,900	2,467,276	*5,325	*901
\$75,000 under \$100,000	17,006	94,596	429,365	1,108,409	38,183	10,696	63,452	58,080	349,671	1,039,564	*1,097	*69
\$100,000 under \$200,000	36,685	335,526	425,831	1,360,365	71,115	43,344	32,032	38,518	357,736	1,278,484	*433	*18
\$200,000 under \$500,000	23,278	429,442	130,175	393,429	41,038	32,518	11,713	5,524	99,183	349,091	*72	*106
\$500,000 under \$1,000,000	4,364	174,832	24,835	71,602	16,513	6,513	15,646	2,978	15,646	51,252	*26	*734
\$1,000,000 or more	2,331	262,600	13,614	61,752	8,020	33,567	270	1,196	7,442	23,770	*8	*22
Taxable returns, total	139,779	1,674,898	10,048,066	14,002,120	466,422	188,610	1,243,401	488,890	8,601,127	13,302,065	117,721	19,196
No adjusted gross income	8,125	155,788	2,745	6,771	673	407	92	447	2,151	5,898	—	—
\$1 under \$1,000	..	..	*1,827	*148	—	—	—	—	*1,822	*148	—	—
\$1,000 under \$2,000	..	..	19,503	2,633	—	—	—	—	19,503	2,633	—	—
\$2,000 under \$3,000	..	..	20,795	3,866	—	—	—	—	20,795	3,866	—	—
\$3,000 under \$4,000	*10	*816	23,664	5,878	—	—	—	—	23,668	5,878	—	—
\$4,000 under \$5,000	..	..	104,595	42,594	..	..	*1,818	*44	99,141	42,447	*3,636	*104
\$5,000 under \$6,000	*471	*8,210	141,000	61,877	*3,639	*400	*3,638	*846	128,270	60,264	*5,455	*367
\$6,000 under \$7,000	*710	*8,711	122,941	69,426	..	..	*1,822	*208	122,991	69,218	..	..
\$7,000 under \$8,000	*85	*554	137,818	77,331	*1,824	*279	*7,275	*1,820	115,085	74,529	*5,458	*703
\$8,000 under \$9,000	*98	*2,290	137,360	86,897	*5,557	*46	*3,638	*828	120,894	85,558	*9,093	*466
\$9,000 under \$10,000	*553	*5,054	139,352	104,724	*1,920	*165	*5,455	*1,049	130,260	103,245	*3,637	*266
\$10,000 under \$11,000	..	..	141,732	141,732	*5,846	*378	*3,640	*597	173,952	132,817	*7,273	*940
\$11,000 under \$12,000	*4	*27	160,122	125,383	*3,205	*469	*12,747	*2,492	151,466	121,428	*5,458	*994
\$12,000 under \$13,000	*100	*863	188,880	160,015	*10,010	*764	*7,276	*1,384	169,357	156,559	*9,095	*1,308
\$13,000 under \$14,000	..	..	175,401	147,259	*4,975	*1,004	*10,906	*2,917	162,679	142,975	*1,819	*362
\$14,000 under \$15,000	*473	*741	217,049	186,483	*3,117	*34	18,650	3,416	200,225	182,965	*1,818	*67
\$15,000 under \$16,000	..	..	190,121	153,063	*1,819	*85	19,097	4,277	176,489	148,520	*1,818	*182
\$16,000 under \$17,000	*432	*845	166,034	147,567	*3,206	*59	*15,937	*2,281	148,720	144,094	*3,637	*1,133
\$17,000 under \$18,000	..	..	183,701	183,763	*1,047	*1,543	*10,914	*3,255	171,744	178,638	*1,818	*327
\$18,000 under \$19,000	*515	*2,108	209,597	202,351	*2,241	*70	16,836	5,944	189,604	195,459	*3,636	*878
\$19,000 under \$20,000	*4	*94	176,772	180,280	*2,336	*19	25,541	9,163	147,678	170,189	*3,637	*909
\$20,000 under \$25,000	*5,511	*13,884	1,079,213	1,216,812	26,693	3,102	94,232	23,571	962,720	1,185,294	19,122	4,844
\$25,000 under \$30,000	4,329	18,123	962,997	1,150,263	34,576	7,781	118,779	31,233	841,486	1,110,633	*4,577	*616
\$30,000 under \$40,000	8,163	37,229	1,700,939	2,150,793	48,014	6,569	259,296	83,684	1,451,376	2,058,611	14,210	1,929
\$40,000 under \$50,000	6,650	30,892	1,213,603	1,818,669	50,807	11,849	235,968	76,752	984,193	1,729,116	*7,385	*952
\$50,000 under \$75,000	19,886	91,669	1,371,921	2,591,366	84,522	17,688	268,868	121,575	1,075,903	2,451,203	*5,325	*901
\$75,000 under \$100,000	17,006	94,596	428,901	1,107,690	38,097	10,695	63,154	57,677	349,591	1,039,248	*1,097	*69
\$100,000 under \$200,000	36,685	335,526	424,800	1,357,789	70,990	42,894	31,514	37,735	357,268	1,277,142	*433	*18
\$200,000 under \$500,000	23,278	429,442	129,998	392,815	40,982	32,421	5,511	11,648	99,053	348,640	*72	*106
\$500,000 under \$1,000,000	4,364	174,832	24,795	71,434	*7,995	16,487	*7,995	*4,046	15,624	51,190	*26	*734
\$1,000,000 or more	2,331	262,600	13,583	61,448	8,013	33,402	..	..	7,419	23,661	*8	*22
Nontaxable returns, total	—	—	2,316,350	1,691,403	57,729	34,922	63,169	18,071	2,209,596	1,634,378	25,702	3,999

Footnotes at end of table

Table 3.3—All Returns: Tax Liabilities, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Earned income credit used to offset other taxes		Total		Income tax withheld		Estimated tax payments		Payment with request for extension of filing time	
	Number of returns	Amount	Number of returns without tax liability	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
All returns, total	957,308	359,138	18,444,778	97,983,088	411,076,700	90,877,273	319,163,468	12,154,648	74,058,280	1,364,976
No adjusted gross income	2,731	1,383	664,730	362,024	1,064,710	256,004	533,854	73,692	385,945	20,888
\$1 under \$1,000	22,243	3,197	2,035,906	1,678,098	154,780	1,614,425	107,000	44,746	43,192	*12,737
\$1,000 under \$2,000	20,503	5,313	2,563,536	2,720,303	361,214	2,657,776	326,302	37,589	27,761	24,123
\$2,000 under \$3,000	36,900	8,729	2,354,574	2,913,769	608,816	2,811,379	530,856	72,934	63,589	30,936
\$3,000 under \$4,000	48,258	15,397	1,877,582	2,663,783	744,071	2,550,801	672,462	106,320	54,716	24,128
\$4,000 under \$5,000	73,621	28,893	1,568,022	2,652,314	920,326	2,533,265	842,761	122,725	66,506	15,498
\$5,000 under \$6,000	64,960	37,489	1,144,102	2,619,039	1,200,572	2,422,599	1,040,550	203,018	122,725	8,827
\$6,000 under \$7,000	106,757	57,072	1,040,707	2,547,280	1,456,465	2,338,255	1,271,321	212,846	163,281	30,795
\$7,000 under \$8,000	94,181	50,877	1,009,620	2,722,404	1,735,751	2,526,320	1,554,233	225,967	169,130	17,351
\$8,000 under \$9,000	103,925	49,928	913,278	2,677,170	2,026,649	2,402,993	1,799,812	307,267	216,296	11,614
\$9,000 under \$10,000	93,884	40,888	858,960	2,659,919	2,271,030	2,430,961	2,025,807	286,094	227,634	*13,175
\$10,000 under \$11,000	84,631	23,490	684,836	2,658,065	2,528,400	2,358,438	2,207,609	349,079	293,077	18,530
\$11,000 under \$12,000	78,649	19,297	510,940	2,597,575	2,838,461	2,329,448	2,035,572	339,446	326,569	18,647
\$12,000 under \$13,000	48,123	7,646	394,941	2,617,850	3,184,655	2,330,610	2,739,392	368,118	408,123	17,757
\$13,000 under \$14,000	42,702	6,413	226,444	2,569,508	3,476,534	2,304,139	3,028,059	350,976	403,586	14,893
\$14,000 under \$15,000	33,418	3,051	139,568	2,435,970	3,624,374	2,215,510	3,199,118	326,179	404,594	24,139
\$15,000 under \$16,000	*1,822	**75	77,274	2,427,893	3,936,029	2,239,324	3,515,652	305,441	388,891	13,828
\$16,000 under \$17,000	—	—	56,713	2,230,549	3,994,652	2,022,683	3,517,136	301,030	469,109	*11,835
\$17,000 under \$18,000	—	—	51,094	2,238,500	4,273,385	2,036,168	3,761,978	305,501	499,378	*12,725
\$18,000 under \$19,000	—	—	45,967	2,161,518	4,497,418	1,958,477	3,918,537	315,003	564,353	*10,004
\$19,000 under \$20,000	—	—	29,375	2,075,575	4,578,288	1,914,533	4,065,881	252,451	494,643	*9,533
\$20,000 under \$25,000	—	—	100,282	8,914,797	24,091,038	8,325,663	21,477,958	1,128,437	2,458,820	*14,323
\$25,000 under \$30,000	—	—	35,061	7,397,247	26,012,176	6,938,159	23,390,663	870,522	2,484,162	*6,372
\$30,000 under \$40,000	—	—	33,213	11,503,022	53,582,542	10,872,443	48,178,149	1,401,886	5,123,966	83,904
\$40,000 under \$50,000	—	—	8,440	7,802,528	48,677,736	7,397,555	43,206,070	1,007,609	5,164,451	126,306
\$50,000 under \$75,000	—	—	8,440	8,056,129	74,331,705	7,562,195	63,556,116	1,330,388	9,553,610	256,889
\$75,000 under \$100,000	—	—	2,084	2,047,894	31,058,773	1,841,310	23,738,677	568,403	6,408,910	280,087
\$100,000 under \$200,000	—	—	2,713	1,495,986	40,032,029	1,252,412	24,891,097	640,903	12,655,262	1,021,037
\$200,000 under \$500,000	—	—	459	426,757	29,459,292	345,799	16,092,374	228,427	10,015,391	769,563
\$500,000 under \$1,000,000	—	—	84	74,890	12,930,368	59,862	5,910,372	46,518	4,893,659	2,281,159
\$1,000,000 or more	—	—	66	34,732	21,424,458	27,767	5,570,200	25,133	9,501,948	3,255,212
Taxable returns, total	—	82,466,152	403,444,924	76,417,848	313,181,837	11,149,550	72,660,280	1,241,476	16,919,782	6,328,250
No adjusted gross income	—	6,420	210,815	5,213	78,255	1,688	62,342	1,733	68,941	*1,248
\$1 under \$1,000	—	165,481	8,649	149,109	6,369	9,097	*1,032	*7,275	*1,248	*20,003
\$1,000 under \$2,000	—	511,330	59,716	467,690	43,072	25,457	13,658	20,431	13,658	*16,367
\$2,000 under \$3,000	—	912,322	176,239	883,228	157,575	20,431	23,638	23,638	23,638	*9,107
\$3,000 under \$4,000	—	1,110,111	289,365	1,088,291	273,202	1,383,126	510,594	48,457	25,511	*7,704
\$4,000 under \$5,000	—	1,425,695	540,876	1,383,126	510,594	1,711,622	806,215	100,096	62,996	*8,965
\$5,000 under \$6,000	—	1,800,289	878,685	1,711,622	806,215	1,711,622	806,215	100,096	62,996	*11,642
\$6,000 under \$7,000	—	1,733,377	1,062,739	1,601,011	942,125	1,601,011	942,125	147,334	108,971	*14,125
\$7,000 under \$8,000	—	1,857,742	1,322,240	1,709,689	1,195,558	1,709,689	1,195,558	166,345	118,137	*7,978
\$8,000 under \$9,000	—	1,866,913	1,549,442	1,689,743	1,407,488	1,689,743	1,407,488	213,649	139,612	*2,244
\$9,000 under \$10,000	—	1,869,857	1,781,242	1,697,962	1,587,028	1,697,962	1,587,028	217,036	183,397	*8,628
\$10,000 under \$11,000	—	1,998,633	2,034,718	1,742,201	1,763,879	1,742,201	1,763,879	298,757	248,125	*11,012
\$11,000 under \$12,000	—	2,064,686	2,409,844	1,830,131	2,105,699	1,830,131	2,105,699	301,460	291,777	15,924
\$12,000 under \$13,000	—	2,202,074	2,776,879	1,946,299	2,412,251	1,946,299	2,412,251	332,608	343,251	*13,643
\$13,000 under \$14,000	—	2,336,263	3,262,600	2,100,799	2,845,441	2,100,799	2,845,441	330,047	379,147	*10,875
\$14,000 under \$15,000	—	2,278,302	3,460,016	2,072,323	3,069,024	2,072,323	3,069,024	302,465	375,342	*20,509
\$15,000 under \$16,000	—	2,352,042	3,840,506	2,167,713	3,426,036	2,167,713	3,426,036	300,296	383,376	36,995
\$16,000 under \$17,000	—	2,164,819	3,906,448	1,967,101	3,458,873	1,967,101	3,458,873	289,507	440,079	*13,330
\$17,000 under \$18,000	—	2,175,107	4,211,023	1,983,405	3,718,801	1,983,405	3,718,801	293,854	480,314	*11,834
\$18,000 under \$19,000	—	2,104,910	4,415,306	1,909,952	3,856,600	1,909,952	3,856,600	309,990	550,955	*10,903
\$19,000 under \$20,000	—	2,032,113	4,502,120	1,881,559	4,024,635	1,881,559	4,024,635	238,628	460,142	*11,494
\$20,000 under \$25,000	—	8,778,323	23,791,418	8,217,421	21,276,739	8,217,421	21,276,739	1,093,602	2,375,819	*8,611
\$25,000 under \$30,000	—	7,357,172	25,905,991	6,909,876	23,324,042	6,909,876	23,324,042	859,288	2,446,552	*14,323
\$30,000 under \$40,000	—	11,458,297	53,370,277	10,844,400	48,074,226	10,844,400	48,074,226	1,388,799	5,029,282	127,914
\$40,000 under \$50,000	—	7,782,992	48,593,645	7,380,285	43,142,190	7,380,285	43,142,190	1,002,503	5,144,859	68,524
\$50,000 under \$75,000	—	8,044,378	74,255,430	7,553,601	63,502,904	7,553,601	63,502,904	1,326,383	9,540,528	249,191
\$75,000 under \$100,000	—	2,047,144	31,051,771	1,840,702	23,734,814	1,840,702	23,734,814	568,216	6,406,741	19,624
\$100,000 under \$200,000	—	1,493,618	40,005,715	24,874,491	12,646,811	24,874,491	12,646,811	640,411	12,646,811	768,661
\$200,000 under \$500,000	—	426,289	29,441,374	345,517	16,087,418	345,517	16,087,418	228,171	10,004,433	2,280,131
\$500,000 under \$1,000,000	—	74,796	12,923,096	59,808	9,907,792	59,808	9,907,792	46,465	4,889,526	3,253,198
\$1,000,000 or more	—	—	21,406,737	34,657	2,406,737	27,722	5,568,498	25,092	9,487,717	2,097,130
Nontaxable returns, total	957,308	359,138	18,444,778	15,516,936	7,631,776	14,459,425	5,981,632	1,005,098	1,398,000	123,500
All returns, total	957,308	359,138	18,444,778	15,516,936	7,631,776	14,459,425	5,981,632	1,005,098	1,398,000	123,500
All returns, total	957,308	359,138	18,444,778	15,516,936	7,631,776	14,459,425	5,981,632	1,005,098	1,398,000	123,500
All returns, total	957,308	359,138	18,444,778	15,516,936	7,631,776	14,459,425	5,981,632	1,005,098	1,398,000	123,500

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued										Earned income credit, refundable portion					
	Excess social security taxes withheld					Credit for Federal tax on gasoline and special fuels					Credit from regulated investment companies		Overpayment of windfall profit tax		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)						
All returns, total	882,214	668,556	766,933	121,765	81,748	71,975	18,147	6,301	6,475,519	2,929,523						
No adjusted gross income	4,516	4,186	57,735	20,952	12,450	9,390	1,780	1,496	3,464	823						
\$1 under \$1,000	*240	*295	*8,096	*908	*1,334	*1,001	—	—	—	184,097						
\$1,000 under \$2,000	*3,402	*1,135	*13,118	*2,688	*1,818	*75	—	—	—	62,818						
\$2,000 under \$3,000	*469	*253	*12,997	*1,323	*3,153	*2,910	*1,818	*16	425,942	133,298						
\$3,000 under \$4,000	*1,819	*475	*11,211	*539	—	—	*1,384	*382	377,877	160,245						
\$4,000 under \$5,000	*53	*131	*10,689	*2,091	*102	*17	—	—	518,240	276,163						
\$5,000 under \$6,000	..	..	*17,935	*1,488	—	—	—	—	539,081	363,155				
\$6,000 under \$7,000	—	—	*19,748	*2,173	*3,118	*2,339	—	—	622,284	447,471						
\$7,000 under \$8,000	—	—	*11,417	*773	*430	*1	—	—	620,119	416,175						
\$8,000 under \$9,000	—	—	23,688	4,048	—	—	—	—	580,938	337,080						
\$9,000 under \$10,000	—	—	*12,172	*2,964	—	—	—	—	576,973	268,287						
\$10,000 under \$11,000	*76	*42	26,925	3,364	*358	*269	—	—	593,722	221,336						
\$11,000 under \$12,000	*455	*195	*11,567	*1,723	*3,117	*2,338	—	—	441,775	120,717						
\$12,000 under \$13,000	—	—	20,911	1,492	*4,939	*2,536	—	—	349,973	67,252						
\$13,000 under \$14,000	*3,117	*602	19,963	2,056	—	—	—	—	182,281	27,351						
\$14,000 under \$15,000	—	—	22,306	2,281	*905	*453	—	—	108,152	9,064						
\$15,000 under \$16,000	—	—	19,210	4,362	—	—	—	—	25,022	664						
\$16,000 under \$17,000	*1,822	*2	*9,892	*872	—	—	—	—	—	—						
\$17,000 under \$18,000	*51	*88	*9,353	*446	—	—	*1,822	*2	—	—						
\$18,000 under \$19,000	*551	*345	30,588	4,585	*3,118	*2,339	*430	*7	—	—						
\$19,000 under \$20,000	*506	*421	19,336	3,020	—	—	—	—	—	—						
\$20,000 under \$25,000	*1,826	*1,048	74,963	13,737	*481	*128	*1,741	*273	—	—						
\$25,000 under \$30,000	5,215	1,842	65,563	7,531	*5,915	*1,670	*51	*3	—	—						
\$30,000 under \$40,000	15,512	7,366	109,937	14,174	*5,964	*1,998	..	..	—	—				
\$40,000 under \$50,000	99,183	18,045	57,692	8,074	*4,057	*595	*3,333	*414	—	—						
\$50,000 under \$75,000	363,848	171,876	49,710	7,888	15,929	20,636	*2,811	*543	—	—						
\$75,000 under \$100,000	170,016	138,554	12,850	1,766	4,837	1,004	*299	*441	—	—						
\$100,000 under \$200,000	151,779	196,520	12,043	4,018	5,977	3,877	*1,129	*96	—	—						
\$200,000 under \$500,000	43,118	85,445	3,796	1,958	2,557	8,550	1,169	464	—	—						
\$500,000 under \$1,000,000	9,486	23,734	858	313	741	4,022	102	610	—	—						
\$1,000,000 or more	5,154	15,957	664	577	448	5,830	136	1,695	—	—						
Taxable returns, total	867,704	658,350	514,482	73,605	47,916	46,745	11,704	4,325	—	—						
No adjusted gross income	634	961	320	291	*6	*14	*89	*11	—	—						
\$1 under \$1,000	—	—	—	—	—	—	—	—	—	—						
\$1,000 under \$2,000	—	—	—	—	*1,818	*75	—	—	—	—						
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—	—						
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—	—						
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—	—						
\$5,000 under \$6,000	—	—	*6,761	*509	—	—	—	—	—	—						
\$6,000 under \$7,000	—	—	*8,057	*568	—	—	—	—	—	—						
\$7,000 under \$8,000	—	—	*3,641	*98	*430	*1	—	—	—	—						
\$8,000 under \$9,000	—	—	*8,097	*2,188	—	—	—	—	—	—						
\$9,000 under \$10,000	—	—	*18,833	*2,560	—	—	—	—	—	—						
\$10,000 under \$11,000	*455	*195	*12,080	*1,299	—	—	—	—	—	—						
\$11,000 under \$12,000	—	—	*4,451	*1,299	—	—	—	—	—	—						
\$12,000 under \$13,000	*3,117	*602	*12,080	*670	*1,822	*199	—	—	—	—						
\$13,000 under \$14,000	—	—	*6,797	*416	—	—	—	—	—	—						
\$14,000 under \$15,000	—	—	*17,008	*1,868	*905	*453	—	—	—	—						
\$15,000 under \$16,000	—	—	*17,387	*3,986	—	—	—	—	—	—						
\$16,000 under \$17,000	*1,822	*2	*9,892	*872	—	—	—	—	—	—						
\$17,000 under \$18,000	*51	*88	*6,236	*324	—	—	*1,822	*2	—	—						
\$18,000 under \$19,000	—	—	22,744	2,351	—	—	*430	*7	—	—						
\$19,000 under \$20,000	—	—	19,336	3,020	—	—	—	—	—	—						
\$20,000 under \$25,000	*1,536	*352	59,590	10,200	*431	*126	*408	*271	—	—						
\$25,000 under \$30,000	*4,169	*1,350	58,074	6,364	*4,532	*1,374	..	..	—	—				
\$30,000 under \$40,000	14,361	5,463	99,019	11,797	*3,724	*318	—	—	—	—						
\$40,000 under \$50,000	98,688	17,968	56,787	8,032	*5,957	*595	*3,257	*394	—	—						
\$50,000 under \$75,000	363,506	171,393	49,335	7,628	15,689	20,456	*5,464	*1,337	—	—						
\$75,000 under \$100,000	169,911	138,495	12,766	1,758	4,837	1,004	..	..	—	—				
\$100,000 under \$200,000	151,747	196,452	11,971	3,969	9,925	3,764	..	..	—	—				
\$200,000 under \$500,000	43,089	85,392	3,786	9,474	*3,740	*18,368	..	..	—	—				
\$500,000 under \$1,000,000	5,144	15,932	659	574	..	..	102	610	—	—				
\$1,000,000 or more	—	—	—	—	..	..	132	1,693	—	—				
Nontaxable returns, total	14,510	10,205	252,451	48,160	33,832	25,230	6,443	1,976	6,475,519	2,929,523						

Table 3.3—All Returns: Tax Liabilities, Tax Credits, and Tax Payments, by Size of Adjusted Gross Income—Continued
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Advance earned income credit payments		Overpayment				Tax due at time of filing				Predetermined estimated tax penalty	
	Number of returns (59)	Amount (60)	Total		Refunded		Credited to 1988 estimated tax		Amount (68)	Number of returns (67)	Amount (69)	Number of returns (70)
			Number of returns (61)	Amount (62)	Number of returns (63)	Amount (64)	Number of returns (65)	Amount (66)				
All returns, total	7,278	*1,618	79,804,878	79,108,896	77,608,482	69,627,753	4,448,257	9,481,144	49,921,337	23,776,240	2,340,709	279,904
No adjusted gross income	—	—	321,482	859,364	292,884	739,119	42,387	120,245	108,824	15,223	1,528	—
\$1 under \$1,000	—	—	1,686,656	156,073	1,681,193	154,021	18,277	2,051	663,847	1,818	*38	—
\$1,000 under \$2,000	—	—	2,678,515	402,506	2,669,287	395,977	22,427	6,529	701,487	*1,822	*66	—
\$2,000 under \$3,000	—	—	2,834,796	688,750	2,821,731	662,073	22,167	26,678	550,229	108,942	*9,091	*200
\$3,000 under \$4,000	—	—	2,509,518	770,170	2,480,823	749,933	40,081	22,037	517,223	126,211	25,951	1,226
\$4,000 under \$5,000	*1,819	*69	2,514,774	993,246	2,482,771	971,150	45,885	22,096	507,977	134,507	16,628	515
\$5,000 under \$6,000	—	—	2,397,128	1,181,680	2,372,533	1,162,635	53,690	19,046	609,014	176,349	43,914	1,773
\$6,000 under \$7,000	—	—	2,380,109	1,395,227	2,333,208	1,353,706	101,005	41,521	542,216	144,392	18,195	596
\$7,000 under \$8,000	*1,819	*664	2,492,486	1,428,725	2,463,292	1,399,350	83,251	29,374	551,640	191,128	25,580	1,121
\$8,000 under \$9,000	—	—	2,438,975	1,423,486	2,383,232	1,387,293	111,562	36,193	507,011	229,317	37,184	1,415
\$9,000 under \$10,000	—	—	2,403,175	1,405,156	2,368,513	1,371,023	99,487	34,133	459,173	231,012	45,457	2,323
\$10,000 under \$11,000	*1,819	*624	2,351,290	1,407,657	2,315,831	1,360,441	116,554	47,216	554,197	244,980	31,901	1,229
\$11,000 under \$12,000	—	—	2,232,736	1,327,138	2,181,131	1,278,577	119,375	48,561	539,362	261,981	37,320	1,772
\$12,000 under \$13,000	—	—	2,250,737	1,377,535	2,199,145	1,320,175	137,110	57,360	493,090	284,887	51,453	2,619
\$13,000 under \$14,000	—	—	2,242,200	1,311,244	2,176,248	1,238,622	171,784	72,622	477,173	283,985	52,334	2,447
\$14,000 under \$15,000	*1,818	*249	2,074,923	1,271,676	2,023,111	1,210,645	118,956	61,031	316,888	173,641	56,411	2,360
\$15,000 under \$16,000	—	—	2,050,724	1,262,231	2,001,026	1,208,193	111,539	54,038	433,081	277,099	42,323	2,516
\$16,000 under \$17,000	—	—	1,855,904	1,197,365	1,818,052	1,128,663	105,587	68,937	372,985	268,294	51,422	2,040
\$17,000 under \$18,000	—	—	1,912,148	1,273,312	1,867,264	1,204,376	110,777	68,937	372,985	271,687	49,474	2,901
\$18,000 under \$19,000	—	—	1,793,733	1,326,526	1,741,107	1,256,017	120,749	70,509	396,301	276,452	31,335	2,410
\$19,000 under \$20,000	—	—	1,720,994	1,267,800	1,682,269	1,192,010	96,920	75,790	392,754	277,956	41,956	2,170
\$20,000 under \$25,000	—	—	7,228,817	6,336,769	7,052,516	6,037,283	385,074	290,713	1,804,962	1,598,636	233,589	16,040
\$25,000 under \$30,000	—	—	5,870,801	6,087,214	5,738,612	5,790,404	290,713	296,810	1,659,060	1,605,691	171,390	14,415
\$30,000 under \$40,000	*13	*12	1,185,447	1,165,553	1,115,181	1,255,389	506,689	602,140	3,316,192	3,101,523	310,523	25,763
\$40,000 under \$50,000	—	—	5,725,962	8,932,234	5,489,152	8,340,381	395,226	591,853	3,473,072	3,254,980	325,916	25,527
\$50,000 under \$75,000	—	—	4,840,137	9,380,940	4,564,435	8,332,549	453,417	1,048,391	7,567,803	7,156,337	327,807	37,815
\$75,000 under \$100,000	—	—	984,010	3,197,238	875,481	2,491,981	197,777	705,257	4,544,805	4,074,906	132,242	20,767
\$100,000 under \$200,000	—	—	616,530	3,718,810	473,077	2,338,651	239,177	1,380,160	8,507,554	7,689,504	171,390	44,982
\$200,000 under \$500,000	*13	*12	178,966	2,565,553	115,181	1,264,963	95,196	1,296,590	6,512,555	5,617,155	56,715	34,623
\$500,000 under \$1,000,000	—	—	33,583	1,197,558	18,176	476,267	21,685	721,291	3,096,726	2,611,504	10,141	12,775
\$1,000,000 or more	—	—	17,602	2,108,185	7,072	551,686	13,733	1,556,499	5,249,071	4,665,499	17,156	13,930
Taxable returns, total	*1,821	*261	64,032,358	60,121,235	62,050,164	59,996,184	4,082,504	9,125,051	49,152,712	22,570,782	2,194,414	271,263
No adjusted gross income	3,893	—	87,701	87,701	3,040	57,262	1,515	30,439	40,965	4,487	1,033	729
\$1 under \$1,000	—	—	132,746	6,360	132,746	5,945	*9,098	*415	609,604	21,562	*1,818	*38
\$1,000 under \$2,000	—	—	407,763	45,303	400,489	42,638	18,183	2,666	596,288	62,695	—	—
\$2,000 under \$3,000	—	—	798,275	137,708	796,457	135,801	*5,456	*1,907	424,403	74,607	*7,273	*102
\$3,000 under \$4,000	—	—	911,037	176,071	905,581	170,965	*10,910	*5,106	400,425	76,203	*14,549	*400
\$4,000 under \$5,000	—	—	1,224,434	352,641	1,209,587	346,468	25,761	6,173	436,809	107,263	*12,744	*390
\$5,000 under \$6,000	—	—	1,525,301	517,902	1,508,894	509,888	36,415	8,014	552,299	152,768	38,208	1,521
\$6,000 under \$7,000	—	—	1,508,876	572,586	1,480,207	552,117	71,418	20,469	497,408	128,341	*10,905	*434
\$7,000 under \$8,000	—	—	1,606,056	618,873	1,586,046	598,088	64,058	20,785	473,051	162,553	18,208	645
\$8,000 under \$9,000	—	—	1,615,082	643,907	1,585,880	625,204	67,728	18,704	431,316	185,635	33,540	1,313
\$9,000 under \$10,000	—	—	1,620,777	668,897	1,595,214	641,119	78,793	27,776	392,243	190,190	30,939	1,473
\$10,000 under \$11,000	—	—	1,671,762	721,566	1,641,770	683,411	103,089	38,155	508,738	207,715	22,744	828
\$11,000 under \$12,000	—	—	1,720,111	806,718	1,672,390	764,255	109,556	42,463	490,486	232,904	26,387	1,251
\$12,000 under \$13,000	—	—	1,846,954	927,910	1,801,973	879,807	122,318	48,104	461,072	252,979	39,191	2,235
\$13,000 under \$14,000	—	—	2,007,113	1,094,008	1,946,621	1,026,601	155,886	67,401	441,711	248,500	46,398	2,041
\$14,000 under \$15,000	*1,818	*249	1,919,098	1,119,591	1,856,500	1,071,399	105,839	48,192	443,777	282,150	47,300	1,868
\$15,000 under \$16,000	—	—	1,980,698	1,172,851	1,931,240	1,119,962	108,571	52,889	420,889	265,264	38,682	2,145
\$16,000 under \$17,000	—	—	1,798,367	1,119,002	1,763,383	1,057,858	102,719	61,144	427,360	255,912	46,848	1,629
\$17,000 under \$18,000	—	—	1,857,339	1,227,390	1,815,192	1,159,038	108,050	68,352	490,486	263,795	48,169	2,824
\$18,000 under \$19,000	—	—	1,741,475	1,256,079	1,688,849	1,188,527	117,558	67,545	391,951	272,509	30,866	2,408
\$19,000 under \$20,000	—	—	1,682,024	1,217,072	1,650,678	1,154,313	88,167	62,764	383,717	274,898	41,956	2,170
\$20,000 under \$25,000	—	—	7,118,799	6,088,912	6,946,829	5,903,353	373,398	285,459	1,543,445	1,771,732	223,109	15,092
\$25,000 under \$30,000	—	—	5,835,747	5,989,086	5,706,273	5,073,071	284,804	286,015	1,642,640	1,596,994	168,810	13,226
\$30,000 under \$40,000	—	—	9,132,369	11,663,622	8,890,601	11,077,622	502,232	586,000	3,279,561	3,009,094	309,094	25,669
\$40,000 under \$50,000	—	—	5,709,857	8,860,691	5,473,977	8,273,978	393,564	586,713	2,121,674	3,456,953	233,396	25,367
\$50,000 under \$75,000	—	—	4,829,099	9,314,947	4,554,110	8,273,608	451,002	1,041,339	7,561,027	7,561,027	327,321	37,721
\$75,000 under \$100,000	—	—	983,264	3,190,620	874,791	2,485,492	197,719	705,128	1,074,577	4,544,460	132,237	20,758
\$100,000 under \$200,000	—	—	614,489	3,694,062	471,902	3,174,731	238,283	1,374,731	8,506,527	7,171,145	171,145	44,965
\$200,000 under \$500,000	*13	*12	178,532	2,548,068	114,820	2,550,012	95,057	1,293,056	6,512,368	5,617,368	56,686	34,617
\$500,000 under \$1,000,000	—	—	33,494	1,190,432	18,110	471,609	21,656	718,823	3,096,704	2,611,504	10,138	12,774
\$1,000,000 or more	—	—	17,527	2,090,758	7,019	542,435	13,701	1,548,323	5,249,060	4,665,499	17,152	13,930
Non-taxable returns, total	*5,457	*1,357	15,772,520	9,987,662	15,558,318	9,631,568	385,753	356,093	768,625	1,205,458	146,295	8,641

* Estimate should be used with caution because of the small number of sample returns on which it is based.
** Data computed to avoid disclosure of information for specific taxpayers.
*** Data reported to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Data may not add to total because of rounding.

Table 3.4—Returns With Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed						Classified by each rate at which tax was computed					
	Modified taxable income			Tax generated			Income tax after credits			Number of returns		
	At all rates	At marginal rate	At all rates	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income	Income taxed at rate	Number of returns	Income taxed at rate	Income tax generated at rate
All marginal rates	85,692,395	1,847,753,421	852,699,709	373,102,475	210,430,741	367,466,562	13.4	19.9	1,847,753,421	89,692,395	1,847,753,421	373,142,360
11 percent	11,275,370	73,486,705	10,875,666	1,190,633	1,196,323	917,495	1.2	8.4	203,286,554	89,687,333	203,286,554	22,361,521
15 percent	51,891,296	1,050,234,451	477,057,595	85,337,811	71,558,639	82,350,139	7.8	13.7	1,032,425,068	77,958,663	1,032,425,068	154,863,760
28 percent	16,289,355	674,713,112	487,883,905	100,053,592	28,015,006	83,757,568	12.4	17.2	235,708,808	25,777,593	235,708,808	65,998,466
28 percent capital gains	755,117	80,181,701	63,321,582	15,306,664	26,536,615	15,169,538	18.9	24.0	94,773,600	3,238,231	94,773,600	26,536,615
35 percent	7,567,975	509,838,911	394,149,359	92,012,522	29,270,918	91,623,293	18.0	23.2	141,509,355	9,016,568	141,509,355	49,528,274
38.5 percent	345,975,800	287,616,194	138,952,350	94,349,736	53,496,655	93,286,735	27.0	32.4	138,953,657	1,448,593	138,953,657	53,497,158
Form 9615	464,691	1,613,530	1,359,300	386,629	356,585	361,794	22.4	26.6	1,096,377	464,691	1,096,377	356,585
Joint returns and returns of surviving spouses												
Tax rate classes	Classified by the highest marginal rate at which tax was computed						Classified by each rate at which tax was computed					
	Modified taxable income			Tax generated			Income tax after credits			Number of returns		
	At all rates	At marginal rate	At all rates	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income	Income taxed at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All marginal rates	42,377,012	1,899,882,806	1,282,875,175	574,782,979	267,086,911	149,595,874	263,447,474	13.9	20.5	42,377,012	1,282,875,175	267,105,414
11 percent	2,667,140	33,762,252	4,081,636	4,081,636	447,648	448,980	317,611	0.9	7.8	42,377,012	123,211,252	13,553,238
15 percent	23,663,572	658,962,629	366,270,150	295,279,434	52,089,606	44,291,915	50,518,190	7.7	13.8	39,709,872	696,436,934	104,465,540
28 percent	9,865,575	492,159,919	347,905,007	71,668,907	60,314,024	20,067,294	59,642,575	12.1	17.1	15,880,869	171,950,350	48,146,098
28 percent capital gains	468,482	58,416,572	45,870,799	29,579,992	11,083,294	19,866,741	10,968,704	18.8	23.9	2,265,629	70,952,620	19,866,741
35 percent	4,686,665	377,264,762	287,297,130	61,019,005	67,090,997	21,356,652	66,790,568	17.7	23.2	5,712,243	107,170,015	37,509,505
38.5 percent	1,025,578	279,316,671	231,450,452	113,154,004	76,061,342	43,564,652	75,209,827	26.9	32.5	1,025,578	113,154,004	43,564,292
Form 9615	—	—	—	—	—	—	—	—	—	—	—	—
Separate returns of husbands and wives												
Tax rate classes	Classified by the highest marginal rate at which tax was computed						Classified by each rate at which tax was computed					
	Modified taxable income			Tax generated			Income tax after credits			Number of returns		
	At all rates	At marginal rate	At all rates	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of modified taxable income	Income taxed at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	1,329,375	30,066,888	20,753,457	9,954,023	4,526,070	2,771,205	4,450,963	14.8	21.4	1,329,375	20,753,457	4,526,679
11 percent	114,970	586,743	79,335	79,335	8,657	8,727	8,463	1.4	10.7	1,329,375	1,900,943	209,104
15 percent	745,780	9,729,733	5,578,868	4,460,198	791,723	669,030	788,512	8.1	14.1	1,214,405	10,318,011	1,547,702
28 percent	276,321	6,798,603	4,952,627	1,084,133	867,117	303,557	866,322	12.7	17.5	465,996	2,662,291	745,442
28 percent capital gains	10,462	1,249,631	961,257	782,287	249,494	463,126	247,874	19.8	25.8	48,909	1,654,026	463,126
35 percent	152,059	6,218,066	4,712,747	1,121,192	1,112,151	392,417	1,098,994	17.7	23.3	181,842	1,791,309	626,958
38.5 percent	29,783	5,484,111	4,468,623	2,426,877	1,496,928	934,348	1,440,798	26.3	32.2	29,783	2,426,877	934,348
Form 9615	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table

Table 3.5—Returns With Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate												
	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates ¹	11 Percent			15 Percent			28 Percent		
					Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
89,692,395	1,850,213,466	1,847,753,421	373,102,475	89,687,333	203,286,554	22,361,521	77,958,663	1,032,425,068	154,863,760	25,777,593	235,708,808	65,998,466	
Under \$2,000	1,748,122	641,987	88,001	1,746,303	553,375	60,871	—	—	—	—	—	—	
\$2,000 under \$4,000	2,244,053	2,156,120	283,000	2,538,225	1,810,539	199,159	155,863	85,137	12,771	—	—	—	
\$4,000 under \$6,000	3,816,545	5,473,779	689,854	3,816,545	4,261,213	468,733	1,124,241	996,749	149,512	—	—	—	
\$6,000 under \$8,000	4,619,450	11,446,864	1,149,129	4,619,450	7,258,353	798,419	3,149,890	3,826,931	574,040	—	—	—	
\$8,000 under \$10,000	4,807,720	18,097,789	2,382,445	4,807,720	8,354,022	918,942	3,880,351	9,696,604	1,454,491	—	—	—	
\$10,000 under \$12,000	5,207,412	25,358,942	3,428,810	5,207,412	9,527,427	1,048,017	4,040,425	15,787,164	2,368,075	—	—	—	
\$12,000 under \$14,000	5,236,664	33,881,591	4,602,634	5,236,664	10,984,897	1,208,339	4,527,514	22,473,857	3,371,079	—	—	—	
\$14,000 under \$16,000	4,899,861	39,483,089	5,454,048	4,899,861	10,923,005	1,201,531	4,622,267	28,184,631	4,227,695	3,638	1,277	358	
\$16,000 under \$18,000	4,503,887	43,965,771	6,130,513	4,503,887	10,281,612	1,130,977	4,357,373	33,342,724	5,001,409	2,296	931	261	
\$18,000 under \$20,000	4,244,291	48,020,911	6,786,040	4,244,291	9,903,768	1,089,414	4,156,341	37,828,054	5,674,208	74,932	87,130	24,396	
\$20,000 under \$25,000	8,967,574	126,032,289	18,467,794	8,967,574	21,865,775	2,405,235	8,905,484	100,044,715	15,006,707	2,102,006	3,786,314	1,060,168	
\$25,000 under \$30,000	7,467,130	133,894,920	20,755,482	7,467,130	19,123,236	2,103,556	7,442,145	103,226,873	15,484,031	2,253,612	11,260,168	3,152,847	
\$30,000 under \$40,000	11,578,336	270,912,746	43,480,588	11,576,953	31,151,300	3,426,643	11,557,553	209,862,088	31,479,313	3,861,875	24,915,354	6,976,299	
\$40,000 under \$50,000	7,849,461	242,712,736	41,824,979	7,849,461	22,157,618	2,437,338	7,839,680	175,979,267	26,396,890	5,816,567	35,722,028	10,002,168	
\$50,000 under \$75,000	8,099,602	347,978,968	70,281,139	8,099,602	23,340,979	2,567,508	8,094,986	193,084,203	28,962,630	7,723,485	97,248,871	27,229,684	
\$75,000 under \$100,000	2,060,924	129,707,724	31,404,121	2,060,924	5,950,760	654,584	2,059,690	49,425,877	7,413,882	1,997,156	31,674,018	8,868,725	
\$100,000 under \$200,000	1,508,025	154,085,169	43,524,894	1,508,025	4,312,658	474,392	1,507,578	35,876,284	5,381,443	1,438,534	22,957,564	6,428,118	
\$200,000 under \$500,000	427,751	100,798,819	32,853,303	427,751	1,215,763	133,734	427,738	10,119,819	1,517,973	403,844	6,461,807	1,809,306	
\$500,000 under \$1,000,000	74,892	42,794,638	14,698,589	74,853	212,662	23,393	74,853	1,771,268	265,690	69,401	1,112,201	311,416	
\$1,000,000 or more	34,704	72,120,769	24,576,469	34,702	97,589	10,735	34,691	812,823	121,923	30,247	481,144	134,720	

Tax generated at specified rate—continued

Size of adjusted gross income	Tax generated at specified rate—continued											
	35 Percent			38.5 Percent			Form 8615					
	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Modified taxable income	Tax generated at rate	Number of returns	Tax generated at rate	
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
3,238,231	94,773,600	26,536,615	9,016,568	141,509,355	49,528,274	1,448,593	138,953,657	53,497,158	1,096,377	464,691	356,585	
Under \$2,000	—	—	—	—	—	—	—	—	—	229,117	88,612	27,928
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	147,724	260,443	72,272
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	179,817	73,481	20,422
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	11,341	63,845	20,422
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	5,884	47,163	11,318
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	5,456	44,350	15,274
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	5,455	67,257	25,704
\$14,000 under \$16,000	—	—	—	—	—	—	—	—	—	5,886	77,266	26,824
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more	—	—	—	—	—	—	—	—	—	—	—	—

¹ Because of how the data were processed, income tax generated at rate does not add to tax generated at all rates.

* Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTE: Detail may not add to total because of rounding.

Section 4

High Income Returns: Taxable and Nontaxable*

INTRODUCTION

Each year, a small number of individual income tax returns which report income of \$200,000 or more do not show any income tax liability. Although such returns represent only a tiny fraction of all Federal income tax returns with high incomes (fewer than 1 in 500 returns), they generate a great deal of interest. Attention focuses on the features of the income tax system that seem to permit some high-income people to completely avoid Federal income tax at the same time that other taxpayers, most of whom have much lower incomes, have tax liabilities amounting to significant shares of their incomes. Information on the reasons for nontaxability of some high-income filers may provide a basis for discussing whether such features are necessary and appropriate in a broad-based income tax system.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [1]. The 1976 Act specified that the tax return data be tabulated using four different concepts of income [2]. The Deficit Reduction Act of 1984 eliminated the requirement for publishing data for the two lesser-used income concepts [3]. Data for the years 1974 through 1986 have been published previously [4].

This Section contains the available high-income tax return data for 1987, with emphasis on high-income returns which are nontaxable. At the end of the text but preceding the tables are two appendices which include summaries of the definitions and concepts which are crucial to an understanding of high-income tax returns in general and nontaxable, high-income returns in particular. Appendix A, "Income Concepts: A Primer," describes and explains the differences between the two major and two minor concepts used to measure income. Appendix B, "Measurement of Taxes," discusses the proper measurement of income tax burdens, explains the different treatment of the foreign tax credit, outlines the methodology used to equate the

importance of exclusions and deductions as compared with tax credits, and reviews certain limitations in the data underlying this Section.

This Section includes twelve tables with data representing 1987 income tax returns, mainly those with incomes of \$200,000 or more under one or more different concepts of income. Most of the data are shown for taxable and nontaxable returns both separately and combined.

The tables show:

- The numbers of total and high-income returns (taxable, nontaxable, and combined) under each of the four income concepts (Tables 1 and 2);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationships among all four income concepts used in this Section (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax as a percentage of income, for all returns and for high-income returns (Tables 11 and 12).

In addition to the data on high-income returns, the tables distribute all 1987 returns by broad income classes and cross-classify numbers of returns in each income class by the various income concepts. For purposes of comparison, the tables with distributions of returns by their effective tax rates include

*Allen H. Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this Section. Robert Kalish was responsible for production and table review.

distributions for returns other than high-income returns.

Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 are similar to the first set of tables but treat foreign tax credits as part of the individual's income tax liability. In these tables, tax is referred to as "Modified Total Income Tax." This different treatment is explained in more detail under the heading "Foreign Tax Credits" in Appendix B.

Numbers of High-Income Tax Returns

For 1987, the number of tax returns with incomes of at least \$200,000 ranged from 521,938 to 588,061, depending on the income concept. These numbers represent from 0.49 percent to 0.55 percent of all tax returns filed.

As the result of the inclusion in AGI for 1987 of 100 percent of long-term capital gains, the differences in the numbers of high-income returns under various income concepts is substantially less than in prior years. That change together with the limitations on deductions for various forms of tax-sheltered activities makes the 1987 definition of AGI a better measure of true economic income than it was previously.

Nontaxable High-Income Returns

For 1987, there were 557,848 income tax returns with expanded income (which is deemed to be a better definition of income than AGI) of \$200,000 or more. Of these, 472 or 0.085 percent, had no U.S. income tax liability and 364, or 0.065 percent, showed no worldwide income tax liability. If not for the Alternative Minimum Tax, 3,396 income tax returns, or 0.609 percent, would have had no U.S. income tax liability and 3,091, or 0.554 percent, would have had no worldwide income tax liability.

Of the 539,967 tax returns for 1987 with AGI of \$200,000 or more, 857 or 0.159 percent, reported no U.S. income tax and 740, or 0.137 percent, had no worldwide tax liability. If not for the Alternative Minimum Tax, 2,963 income tax returns, or 0.549 percent, would have had no U.S. income tax liability and 2,647, or 0.490 percent, would have had no worldwide income tax liability.

NOTES AND REFERENCES

[1] Section 2123, 90 Stat. at 1915.

[2] The concepts are: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income.

See Appendix A for a full discussion of these concepts.

[3] Section 441 (90 Stat. at 815) eliminated the requirement of using AGI plus excluded preferences and AGI less investment interest not in excess of investment income. Despite Section 441, for purposes of historical comparison, this report includes summary data on the numbers of total, taxable, and nontaxable returns for these two income concepts. See Tables 1 through 4.

[4] Lerman, Allen H., High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability, U.S. Department of Treasury, Office of Tax Analysis, March 1977, and High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns, U.S. Department of the Treasury, Office of Tax Analysis, August 1978.

U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--Individual Income Tax Returns, reports for 1977, 1978, 1979, 1980, 1981, 1982, 1985, and 1986. (For 1977 and 1978, only the actual numbers of nontaxable, high-AGI returns have been published.)

Lerman, Allen H., "High Income Tax Returns, 1983", Statistics of Income Bulletin, Spring 1986, Volume 5, Number 4, pp. 31-61.

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APPENDIX A

INCOME CONCEPTS: A PRIMER

This Appendix contains an explanation of the differences between the two major and two minor concepts of income which are used in this Section and an outline of how the various concepts differ from the ideal economic concept of income. The two major conceptual differences between the income measures are detailed, and the exact relationships between the various concepts are defined.

Economic Income, the Ideal Measure

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [A1]. For example, if during a year a family spent \$25,000 and saved \$2,000, economists would say the family had an income

of \$27,000. Similarly, if the family spent \$25,000 but owned an asset such as an automobile that decreased in value by \$1,000, economists would say that the family had an income of only \$24,000. A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It has never been meant to be an accurate measure of so-called economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. For Tax Year 1987, AGI excludes certain types of income, such as interest from tax-exempt State and local Government bonds, most social security benefits, imputed rent on owner-occupied housing, and the value of many employee fringe benefits. (For 1987, unlike immediately prior years, AGI does include 100 percent of net realized long-term capital gains.) Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [A2].

Adjusted gross income excludes most changes in net worth, such as all accrued, but unrealized, capital gains [A3].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then in most cases only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses falling into this category include certain expenses incurred by employees (such as union dues, expenditures for items used on-the-job but not reimbursed by the employer, and employees' travel, meal and entertainment expenses), job-related moving expenses, and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business) including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first \$3,000 of net realized

capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure for a large group of taxpayers must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [A4].

Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that could be identified on 1987 income tax returns consisted of: interest received on tax-exempt State and local Government bonds; current-year capital losses in excess of currently deductible amounts; payments to self-employed retirement (Keogh) and Individual Retirement Arrangement (IRA) pension savings plans; some social security benefits; and income from sources considered to be tax preferences for purposes of the alternative minimum tax. Even if no alternative minimum tax is due, such preferences are generally supposed to be reported on Form 6251, Alternative Minimum Tax Computation, which is supposed to accompany the person's income tax return [A5].

Even after including preference income which was not in AGI but which was identifiable on 1987 tax returns, several major sources of income for high-income taxpayers were still omitted:

- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;

- Income "sheltered" from taxation--primarily partnership income--through deferral of the recognition of income for tax purposes and/or the acceleration of deduction items (although these "sheltered" items are more limited in 1987 than previously); and
- The value of employee fringe benefits [A6].

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. Subsequently, income may be correspondingly higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes.

Conceptual differences between income subject to ordinary tax and income benefiting from tax-preferred treatment may also lead to some understatement of income. Because of tax benefits, individuals may be willing to accept lower rates of return on investments yielding tax-preferred income. If one views that reduction in potential income as an "implicit tax" on that income (paid in lieu of ordinary tax), then the reporting of fully taxable and tax-preferred income is not consistent. Fully taxable income is being reported on a pre-tax basis, whereas a tax-preferred income is being shown on an after-tax basis. See "Implicit Tax" in Appendix B for further discussion of this concept.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this Section may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, the income of some individuals who are included may have been understated, and tax as a percentage of income (i.e., the effective tax rate) may have been overstated.

Investment Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business. However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally appear on a Federal individual income tax return in one of two places. Investment interest is taken into account in the calculation of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions [A7]. For 1987, most of the types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of economic income, investment expenses have been defined as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. Investment interest expenses which do exceed investment income are not deductible in calculating the broader income measure. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate

income by disallowing genuine investment losses. This arbitrary procedure has been selected because, especially with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income (AGI) plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income [A8]. Tax preferences considered for 1987 were tax-exempt State and local Government bond interest and, where the taxpayer filed a Form 6251, Alternative Minimum Tax Computation, all other excluded income preferences subject to the minimum tax [A9] [A10]. For individuals, the only Alternative Minimum Tax preference items of significance are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease (for property placed in service before 1987), the excess of percentage depletion over the cost of the property, the deduction for intangible drilling costs in excess of the amounts deductible if these costs had been amortized, incentive stock options, and the appreciated portion of the value of property contributed to charitable organizations. Because expanded income is based on tax return data, it excludes items such as accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned above, under "Omitted Income and Accelerated Deductions."

Four Income Measures

Current law requires high-income tax return data to be selected and classified on the basis of two different definitions of income: expanded income and adjusted gross income. For comparability with data for earlier years, this Section also includes a limited amount of data using two other, previously required, income definitions. Each of the two additional income measures embodies only one of the two major differences between expanded income and AGI. "Adjusted gross income plus excluded tax preferences" is AGI plus the amount of tax preference income excluded from AGI. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus excluded tax preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner [A11]:

Expanded income

$$= \text{Adjusted gross income} + \text{preferences} \\ - \text{investment interest}$$

Adjusted gross income

$$= \text{Expanded income} - \text{preferences} \\ + \text{investment interest}$$

Adjusted gross income plus excluded tax preferences

$$= \text{Adjusted gross income} + \text{preferences} \\ \text{or} = \text{Expanded income} + \text{investment interest}$$

Adjusted gross income less investment interest

$$= \text{Adjusted gross income} - \text{investment} \\ \text{interest} \\ \text{or} = \text{Expanded income} - \text{preferences}$$

Expanded income is the measure which most closely approximates economic income [A12].

NOTES TO APPENDIX A

[A1] This is the Haig-Simons definition of income.

[A2] For Tax Year 1987, the Internal Revenue Code defined adjusted gross income as all gross income not specifically excluded, and reduced by statutory adjustments. Among the exclusions were trade or business deductions (including some deductions by employees), depreciation deductions allowable for tax purposes, limited deductions for losses from the sale or exchange of property, certain deductions attributable to rents and royalty income, and deductions for contributions to individual retirement arrangements (IRA's) and self-employed retirement (Keogh) plans.

[A3] Gross income includes only income that has been "realized." Thus, for Federal income tax purposes, accrued increases or decreases in the value of assets are generally not included in income until any gain or loss is realized by a sale or exchange. In addition, gross income does not include the value of the services

received from the use of durable goods, such as imputed net rent from owner-occupied homes or from consumer durables. Finally, gross income and, hence, adjusted gross income, do not include interest on most types of State and local Government debt, most social security benefits, workers' compensation benefits, and most types of welfare benefits.

[A4] There have been attempts to create micro-data files that include approximations of economic income. Tax return data files have been "statistically merged", i.e., merged with information for persons having similar characteristics, with other files such as the Current Population Survey (CPS) of the Bureau of the Census. After the merge, certain additional data items that were not on either file have been "imputed" to each record of the merged file. Although such statistically merged files have proven useful for many purposes, they have only limited use--and must be used with great caution--for high-income individuals and families, each of which is likely to have more nearly unique financial and income characteristics that are not likely to be duplicated accurately through imputations or statistical merges.

[A5] The tax preferences excluded from adjusted gross income, as tabulated in Tables 5 and 6, included the following items: the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease (for property placed in service before 1987); the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the appreciated portion of the value of property contributed to charitable organizations; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceeded the otherwise allowable amortization deductions. Preferences from itemized deductions did not represent omitted income; hence, they were not counted as preference items in calculating a broader measure of income. The preference from tax-exempt interest from certain private activity bonds was not included since the interest for all tax-exempt State and local Government bonds was considered as omitted income.

[A6] Omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

[A7] In addition, income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[A8] For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[A9] See footnote [A5].

[A10] For 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government bonds. However, such interest income generally was not taxable.

[A11] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the size of the investment interest adjustment differs depending on which income concept is used.

[A12] Because of the inclusion for 1987 of tax-exempt State and local Government bond interest in the calculation of "expanded income" and "adjusted gross income plus excluded tax preferences," these income concepts may not be strictly comparable to similar items calculated for previous years.

APPENDIX B

MEASUREMENT OF TAXES

This Appendix discusses the proper measurement of income tax burdens. First, two different treatments of the foreign tax credit are explained: as a tax on income; or as an item of tax preference. Second, the concept of an implicit tax on tax preference income is discussed. Third, the Appendix includes an outline of the methodology used in the tabulations of 1987 tax return data to equate the importance of tax credits with exclusions and deductions from the income base subject to tax. Finally, certain limitations in the underlying tax return data are summarized.

Foreign Tax Credits: Worldwide Taxes on Worldwide Income

Just as income must be measured properly, so must income taxes.

U.S. income taxes are based on worldwide income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it has been generated in the United States or in a foreign country. However, when a taxpayer has foreign source income, the U.S. income tax computed on global income often may be reduced dollar-for-dollar by the amount of foreign income tax that has been paid on that foreign income. These offsets for foreign income taxes are called "foreign tax credits" [B1].

Statistics of Income (SOI) data collected as a by-product of tax administration include global income as reported on U.S. income tax returns. The SOI data, however, usually include as taxes only U.S. income taxes net of the foreign tax credits that represent offsets for foreign income tax payments. For taxpayers with income from foreign sources, this procedure understates worldwide tax liabilities and effective tax rates. Since worldwide income is reported on U.S. tax returns, a more accurate measure of the tax burden imposed on that income would be obtained if all income taxes--U.S. as well as foreign--were considered. Analysis indicates that a substantial portion of the so-called nontaxable, high-income tax returns report that large shares of their income are from non-U.S. sources and that substantial amounts of foreign income taxes have been paid on that income. Thus, it does not seem appropriate to classify such taxpayers as nontaxable or to classify foreign tax credits as special tax benefits [B2].

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they are nontaxable, several tables in this Section have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not readily available in tabulations from U.S. income tax returns, foreign tax credits as shown on U.S. income tax returns are used as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate or understate global taxes on the current year's income.

The tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide income tax burden on worldwide income. For the vast majority of taxpayers--with high incomes or otherwise--this adjustment is irrelevant, for they have little or no foreign-source income. However, for the small proportion of

taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign taxes than if all income were from U.S. sources and the person paid no income tax either to the U.S. Government or to any other government.

In order to be consistent with other SOI tabulations, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits. Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income tax liabilities. Tables 2, 4, 6, 8, 10, and 12 include foreign tax credits as part of the individual's income tax liability.

Implicit Tax

Income from certain tax-preferred sources is either not subject to any Federal individual income tax or benefits from reduced tax rates or the deferral of taxation, or both. To the extent that the income from such sources has been reduced because of the existence of tax preferences, the stated tax on such income understates the amount of tax effectively paid by the recipient of that income. In addition to any income tax actually paid, there is an "implicit tax" equal to the amount by which the income from that source has been reduced because of the tax preferences. Thus, the benefit to the recipient of tax-preferred income is less than the stated tax preference to the extent that the gross income from that source has been reduced in anticipation of the tax preference. As a result, an individual may be indifferent between a lower-yield, nontaxable income source and a higher-yield taxable source.

Tax-exempt income from State and local Government bonds provides the clearest example of an "implicit tax." Because of the tax exemption, the interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds with equivalent risk and maturity. The yields between tax-exempt and taxable bonds generally differ by an amount such that the yield on the tax-exempt bonds will be about the same or slightly more than the after-tax yield on an equivalent taxable bond. In reality, the holders of tax-exempt bonds are paying an "implicit tax" which is equal to the spread between the interest rates on the tax-free bond and the equivalent taxable bond multiplied by the face value of the bonds.

The main difference between implicit tax and ordinary Federal income tax is the recipient of

the tax revenue. The general fund of the Federal Government receives the ordinary Federal income tax revenue whereas the implicit tax revenue is usually divided between the payer and the recipient of the tax-preferred income. The government entity issuing a tax-exempt bond receives part of the implicit tax in the form of reduced rates on interest paid on those bonds. For other assets producing tax-preferred income, some of the implicit tax is received by the seller of the asset in the form of a higher price reflecting the capitalized value of some of the stream of tax benefits.

No attempts have been made in this Section to measure implicit taxes. Accordingly, taxes paid and tax rates have not been adjusted to reflect implicit taxes on tax preference income.

Adjusting Income for Implicit Tax

It should also be noted that compared with income from other sources, the gross income from tax-preferred sources is understated by the amount by which that income has been reduced by the portion of the above-mentioned "implicit tax" which benefits the recipient of the income. In theory, when measuring income, it would be appropriate to "gross up" the amount of tax-preferred income received by the portion of the implicit tax on that income which has actually benefited the recipient of the income. Since no attempt has been made to measure implicit taxes for this Section, incomes have not been increased to reflect the value of implicit taxes.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction

equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax rate bracket.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all, or groups, of these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income that has been excluded from tax and (2) the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this Section call "taxable income which would yield income tax before credits," "taxable income which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that may be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher

probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

NOTE TO APPENDIX B

[B1] Certain amounts of income earned abroad

are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this Section do not reflect either such excluded income or any foreign tax payments on it.

[B2] For 1987, the number of high-income returns whose non-taxability may be attributed to foreign tax credits is reduced substantially. The reduction appears to be attributable to changes in the foreign tax credit provisions of the Alternative Minimum Tax.

Table 1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts¹

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	106,996,270	94,768,013	10,174,636	1,513,654	539,967
Size of expanded income					
Under \$50,000	95,025,944	94,591,760	430,897	2,767	520
\$50,000 under \$100,000	9,927,093	165,617	9,663,312	97,723	441
\$100,000 under \$200,000	1,485,385	10,319	74,757	1,378,430	21,879
\$200,000 or more	557,848	317	5,670	34,734	517,127
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	94,574,671	94,574,671	—	—	—
\$50,000 under \$100,000	10,260,023	182,694	10,077,329	—	—
\$100,000 under \$200,000	1,573,515	10,324	91,619	1,471,572	—
\$200,000 or more	588,061	324	5,688	42,082	539,967
Size of adjusted gross income less investment interest					
Under \$50,000	94,995,072	94,768,013	223,710	2,725	624
\$50,000 under \$100,000	10,009,438	—	9,950,926	57,889	623
\$100,000 under \$200,000	1,469,822	—	—	1,453,040	16,782
\$200,000 or more	521,938	—	—	—	521,938
Returns With Total Income Tax					
Total	88,634,065	76,426,606	10,158,439	1,509,910	539,110
Size of expanded income					
Under \$50,000	76,689,390	76,261,613	425,521	2,102	154
\$50,000 under \$100,000	9,906,592	156,503	9,652,578	97,152	359
\$100,000 under \$200,000	1,480,707	8,213	74,754	1,375,953	21,787
\$200,000 or more	557,376	277	5,586	34,703	516,810
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	76,245,378	76,245,378	—	—	—
\$50,000 under \$100,000	10,234,276	172,728	10,061,548	—	—
\$100,000 under \$200,000	1,567,458	8,220	91,290	1,467,948	—
\$200,000 or more	586,953	280	5,601	41,962	539,110
Size of adjusted gross income less investment interest					
Under \$50,000	76,647,071	76,426,606	218,256	1,976	233
\$50,000 under \$100,000	9,998,131	—	9,940,183	57,402	546
\$100,000 under \$200,000	1,467,226	—	—	1,450,532	16,694
\$200,000 or more	521,637	—	—	—	521,637
Returns Without Total Income Tax					
Total	18,362,205	18,341,407	16,197	3,744	857
Size of expanded income					
Under \$50,000	18,336,554	18,330,147	5,376	665	366
\$50,000 under \$100,000	20,501	9,114	10,734	571	82
\$100,000 under \$200,000	4,678	2,106	*3	2,477	92
\$200,000 or more	472	40	*84	*31	317
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	18,329,293	18,329,293	—	—	—
\$50,000 under \$100,000	25,747	9,966	15,781	—	—
\$100,000 under \$200,000	6,057	2,104	*329	3,624	—
\$200,000 or more	1,108	44	*87	120	857
Size of adjusted gross income less investment interest					
Under \$50,000	18,348,001	18,341,407	5,454	749	391
\$50,000 under \$100,000	11,307	—	10,743	487	77
\$100,000 under \$200,000	2,596	—	—	2,508	88
\$200,000 or more	301	—	—	—	301

* Estimate should be used with caution because of the small number of sample returns on which it is based.

¹ Returns with total income tax* includes returns with income tax* which is totally offset by the earned income credit.

Table 2—Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts¹

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All Returns					
Total	106,996,270	94,768,013	10,174,636	1,513,654	539,967
Size of expanded income					
Under \$50,000	95,025,944	94,591,760	430,897	2,767	520
\$50,000 under \$100,000	9,927,093	165,617	9,663,312	97,723	441
\$100,000 under \$200,000	1,485,385	10,319	74,757	1,378,430	21,879
\$200,000 or more	557,848	317	5,670	34,734	517,127
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	94,574,671	94,574,671	—	—	—
\$50,000 under \$100,000	10,260,023	182,694	10,077,329	—	—
\$100,000 under \$200,000	1,573,515	10,324	91,619	1,471,572	—
\$200,000 or more	588,061	324	5,688	42,082	539,967
Size of adjusted gross income less investment interest					
Under \$50,000	94,995,072	94,768,013	223,710	2,725	624
\$50,000 under \$100,000	10,009,438	—	9,950,926	57,889	623
\$100,000 under \$200,000	1,469,822	—	—	1,453,040	16,782
\$200,000 or more	521,938	—	—	—	521,938
Returns With Modified Total Income Tax					
Total	88,666,459	76,456,735	10,160,081	1,510,416	539,227
Size of expanded income					
Under \$50,000	76,719,963	76,291,742	425,963	2,102	156
\$50,000 under \$100,000	9,907,793	156,503	9,653,778	97,152	360
\$100,000 under \$200,000	1,481,219	8,213	74,754	1,376,459	21,793
\$200,000 or more	557,484	277	5,586	34,703	516,918
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	76,275,507	76,275,507	—	—	—
\$50,000 under \$100,000	10,235,918	172,728	10,063,190	—	—
\$100,000 under \$200,000	1,567,964	8,220	91,290	1,468,454	—
\$200,000 or more	587,070	280	5,601	41,962	539,227
Size of adjusted gross income less investment interest					
Under \$50,000	76,677,202	76,456,735	218,256	1,976	235
\$50,000 under \$100,000	9,999,774	—	9,941,825	57,402	547
\$100,000 under \$200,000	1,467,738	—	—	1,451,038	16,700
\$200,000 or more	521,745	—	—	—	521,745
Returns Without Modified Total Income Tax					
Total	18,329,811	18,311,278	14,555	3,238	740
Size of expanded income					
Under \$50,000	18,305,981	18,300,018	4,934	665	364
\$50,000 under \$100,000	19,300	9,114	9,534	571	81
\$100,000 under \$200,000	4,166	2,106	*3	1,971	86
\$200,000 or more	364	40	*84	*31	209
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	18,299,164	18,299,164	—	—	—
\$50,000 under \$100,000	24,105	9,966	14,139	—	—
\$100,000 under \$200,000	5,551	2,104	*329	3,118	—
\$200,000 or more	991	44	*87	120	740
Size of adjusted gross income less investment interest					
Under \$50,000	18,317,870	18,311,278	5,454	749	389
\$50,000 under \$100,000	9,664	—	9,101	487	76
\$100,000 under \$200,000	2,084	—	—	2,002	82
\$200,000 or more	193	—	—	—	193

* Estimate should be used with caution because of the small number of sample returns on which it is based.

¹ Returns with modified total income la* includes returns with income la* which is totally offset by the earned income credit.

Table 3—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	539,967	100.0	—	557,848	100.0	—	588,061	100.0	—	521,938	100.0	—
Returns without total income tax	857	0.2	—	472	0.1	—	1,108	0.2	—	301	0.1	—
Returns with total income tax												
Total	539,110	99.8	100.0	557,376	99.9	100.0	586,953	99.8	100.0	521,637	99.9	100.0
Ratio of taxable income to alternative income												
Under 5 percent	314	0.1	0.1	1,332	0.2	0.2	1,458	0.2	0.2	275	0.1	0.1
5 under 10 percent	356	0.1	0.1	1,007	0.2	0.4	1,172	0.2	0.4	197	()	0.1
10 under 15 percent	964	0.2	0.3	2,826	0.5	0.9	3,452	0.6	1.0	791	0.2	0.2
15 under 20 percent	928	0.2	0.5	3,541	0.6	1.6	3,790	0.6	1.7	491	0.1	0.3
20 under 25 percent	1,203	0.2	0.7	3,229	0.6	2.1	4,289	0.7	2.4	515	0.1	0.4
25 under 30 percent	1,517	0.3	1.0	2,574	0.5	2.6	3,660	0.6	3.0	749	0.1	0.6
30 under 35 percent	1,732	0.3	1.3	4,306	0.8	3.4	5,236	0.9	3.9	1,162	0.2	0.8
35 under 40 percent	3,152	0.6	1.9	6,166	1.1	4.5	8,003	1.4	5.3	2,067	0.4	1.2
40 under 45 percent	3,642	0.7	2.6	9,746	1.7	6.2	11,735	2.0	7.3	2,557	0.5	1.7
45 under 50 percent	5,734	1.1	3.6	11,132	2.0	8.2	13,573	2.3	9.6	3,144	0.6	2.3
50 under 60 percent	27,937	5.2	8.8	36,119	6.5	14.7	45,525	7.8	17.4	20,273	3.9	6.2
60 under 70 percent	69,883	13.0	21.8	72,260	13.0	27.7	89,731	15.3	32.6	60,064	11.5	17.7
70 under 80 percent	159,912	29.7	51.4	155,139	27.8	55.5	167,710	28.6	61.2	152,497	29.2	46.9
80 percent or more	261,836	48.6	100.0	247,999	44.5	100.0	227,619	38.8	100.0	276,655	53.1	100.0

() Less than 0.05 percent

NOTE: Detail may not add to total because of rounding

Table 4—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total	539,967	100.0	—	557,848	100.0	—	588,061	100.0	—	521,938	100.0	—
Returns without modified total income tax	740	0.1	—	364	0.1	—	991	0.2	—	193	()	—
Returns with modified total income tax												
Total	539,227	99.9	100.0	557,484	99.9	100.0	587,070	99.8	100.0	521,745	100.0	100.0
Ratio of taxable income to alternative income												
Under 5 percent	263	()	()	1,277	0.2	0.2	1,405	0.2	0.2	222	()	()
5 under 10 percent	105	()	0.1	813	0.1	0.4	925	0.2	0.4	7	()	()
10 under 15 percent	255	()	0.1	2,060	0.4	0.7	2,731	0.5	0.9	21	()	()
15 under 20 percent	463	0.1	0.2	3,015	0.5	1.3	3,210	0.5	1.4	29	()	0.1
20 under 25 percent	992	0.2	0.4	2,966	0.5	1.8	3,880	0.7	2.1	304	0.1	0.1
25 under 30 percent	1,223	0.2	0.6	2,289	0.4	2.2	3,324	0.6	2.6	516	0.1	0.2
30 under 35 percent	1,407	0.3	0.9	4,011	0.7	2.9	4,940	0.8	3.5	833	0.2	0.4
35 under 40 percent	2,921	0.5	1.4	5,767	1.0	4.0	7,829	1.3	4.8	1,849	0.4	0.7
40 under 45 percent	3,426	0.6	2.1	9,739	1.7	5.7	11,599	2.0	6.8	2,321	0.4	1.2
45 under 50 percent	5,522	1.0	3.1	10,832	1.9	7.7	13,357	2.3	9.1	2,938	0.6	1.7
50 under 60 percent	27,283	5.1	8.1	35,416	6.4	14.0	44,655	7.6	16.7	19,710	3.8	5.5
60 under 70 percent	68,847	12.8	20.9	71,974	12.9	26.9	89,582	15.3	31.9	58,996	11.3	16.8
70 under 80 percent	160,446	29.8	50.7	155,354	27.9	54.8	168,153	28.6	60.6	152,737	29.3	46.1
80 percent or more	266,074	49.3	100.0	251,971	45.2	100.0	231,480	39.4	100.0	281,262	53.9	100.0

() Less than 0.05 percent

NOTE: Detail may not add to total because of rounding

Table 5—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	442,610	112,913,063	442,071	112,811,671	539	101,392	442,125	111,753,921	441,871	111,679,843	254	74,078
Business or profession												
Net income	106,030	11,873,570	105,859	11,848,719	171	24,851	108,201	11,867,673	108,130	11,853,502	71	14,172
Net loss	46,559	1,685,169	46,346	1,630,617	213	54,552	46,739	1,665,254	46,560	1,643,169	179	22,085
Farm												
Net income	8,255	469,209	8,237	467,453	18	1,756	8,736	469,122	8,732	468,985	4	137
Net loss	22,254	1,221,360	22,171	1,203,442	83	17,918	22,061	1,242,572	22,032	1,230,289	29	12,283
Partnership and S Corporation net income after Section 179 property deduction												
Net income	184,927	36,401,879	184,778	36,370,745	149	31,135	189,330	36,474,855	189,257	36,451,594	73	23,260
Net loss	204,451	11,932,593	203,934	11,574,021	517	358,572	207,816	11,877,755	207,560	11,754,864	256	122,892
Sales of capital assets												
Net gain	354,371	69,328,005	353,826	69,007,075	545	320,930	368,801	69,494,783	368,528	69,389,820	273	104,962
Net loss	97,092	236,418	96,901	235,884	191	534	100,964	248,112	100,888	247,913	76	199
Sales of property other than capital assets												
Net gain	50,650	1,081,531	50,538	1,071,478	112	10,053	50,961	1,075,824	50,919	1,062,719	42	13,105
Net loss	53,503	446,909	53,393	440,894	110	6,015	56,295	457,896	56,190	455,828	105	2,068
Interest received	534,842	21,285,864	534,022	20,811,327	820	474,537	552,920	21,446,438	552,484	21,351,738	436	94,700
Tax-exempt interest	208,854	9,401,170	208,673	9,383,097	181	18,072	239,182	13,539,208	239,001	13,484,503	181	54,705
Dividends	450,774	14,894,191	450,138	14,792,139	636	102,052	470,852	15,849,774	470,530	15,821,259	322	28,515
Pensions and annuities in adjusted gross income	99,847	2,520,833	99,735	2,512,840	112	7,993	108,814	2,748,916	108,774	2,747,179	40	1,737
Rent												
Net income	105,718	3,813,201	105,547	3,796,258	171	16,943	110,189	3,947,894	110,131	3,937,868	58	10,026
Net loss (deductible and nondeductible)	143,138	3,010,991	142,828	2,987,792	310	23,199	141,760	2,894,249	141,536	2,884,049	224	10,201
Net loss (nondeductible)	96,178	725,121	95,996	721,154	182	3,968	92,540	634,824	92,410	634,189	130	635
Royalty												
Net income	44,752	1,108,187	44,616	1,101,753	136	6,434	48,731	1,163,974	48,601	1,161,232	130	2,742
Net loss	5,181	30,454	5,166	30,341	15	113	4,918	29,645	4,914	29,612	4	33
Estate or trust												
Net income	36,098	1,621,499	36,043	1,616,796	55	4,703	41,598	1,713,644	41,576	1,712,919	22	726
Net loss	8,767	170,741	8,743	169,076	24	1,665	9,299	168,611	9,292	168,482	7	129
State income tax refunds	292,066	1,549,799	291,810	1,544,720	256	5,079	297,625	1,574,750	297,536	1,572,251	89	2,499
Windfall profit tax refunds	3,257	4,240	3,249	4,239	8	1	3,945	4,295	3,944	4,294	1	1
Windfall profit tax withheld	6,517	2,282	6,492	2,260	25	22	6,959	2,295	6,942	2,281	17	15
Alimony received	1,777	149,460	1,774	149,102	3	358	1,692	146,620	1,691	146,612	1	8
Social security benefits in adjusted gross income	90,650	544,145	90,536	543,481	114	664	109,233	668,370	109,178	668,065	55	305
Unemployment compensation	2,920	6,428	†	†	†	†	2,687	5,931	2,685	5,921	2	10
Other income	114,038	2,663,948	113,832	2,641,350	206	22,598	116,516	2,661,101	116,425	2,644,115	91	16,986
Other loss	9,296	806,445	9,195	779,581	101	26,864	9,510	832,611	9,472	803,606	38	29,005
Total income	539,967	263,247,074	539,110	262,605,505	857	641,569	557,848	264,137,033	557,376	263,951,547	472	185,486
Total statutory adjustments	171,290	2,542,167	171,127	2,539,643	163	2,524	174,165	2,526,677	174,098	2,525,389	67	1,288
Employee business expense	18,478	138,041	18,470	137,874	8	167	17,770	132,578	17,766	132,433	4	146
Payments to IRA	60,086	175,872	60,025	175,725	61	147	63,119	184,557	63,098	184,500	21	57
Payments to a Keogh plan	64,602	1,491,768	64,580	1,491,375	22	392	64,761	1,479,676	64,751	1,479,462	10	214
Expanded income	539,966	267,335,219	539,110	267,224,874	856	110,345	557,848	274,803,167	557,376	274,592,047	472	211,120
Investment interest per adjusted gross income concept	420,099	6,940,934	419,360	6,388,057	739	552,877	424,293	5,778,743	424,000	5,715,047	293	63,697
Investment interest per alternative income concept	420,099	6,940,934	419,360	6,388,057	739	552,877	426,183	5,841,532	425,890	5,776,707	293	64,825
Total tax preferences excluded from adjusted gross income	309,821	14,995,327	309,457	14,964,914	364	30,413	342,322	20,192,220	342,035	20,099,661	287	92,559
Adjusted gross income	539,967	260,704,907	539,110	260,065,861	857	639,046	557,848	261,610,356	557,376	261,426,158	472	184,199

Footnote(s) at end of table

Table 5—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	539 143	3,059 641	†	†	†	†	556,974	3,095 855	556,502	3 093,601	472	2,254
Itemized deductions												
Total per adjusted gross income concept	528 932	42 593 674	528 128	41 801 414	804	792 260	545,677	42,096 650	545 295	41 871 434	382	225,216
Total per alternative income concept	528 932	42 593 674	528 128	41 801 414	804	792 260	545,659	36,593 028	545 278	36 431 737	381	161 291
Contributions deduction	514 664	8 360 151	513 939	8 301 271	725	58 880	531 816	8 737,318	531 478	8 707,954	338	29 363
Interest paid deduction												
Total per adjusted gross income concept	475 544	13,450 406	474 774	12 839 661	770	610 745	484 029	12 196,913	483 681	12 092 486	348	104 428
Total per alternative income concept	475 544	13,450 406	474 774	12 839 661	770	610 745	399 837	7 059 133	399 536	7 018 500	301	40 633
Total home mortgage interest	394 289	6 433 176	393 693	6 398 560	596	34 616	395,837	6,349 250	395 548	6 326,036	289	23 215
Medical and dental expense deduction	7 462	261 726	7 430	256,407	32	5,318	11 651	407 463	11 626	402 806	25	4 656
Net casualty or theft loss deduction	805	101 676	766	67,079	39	34 597	934	118 154	817	70,719	117	47 434
Taxes paid deduction	525 880	18,527 498	525 118	18,488,986	762	38,512	542 817	18,778 651	542 463	18 766,845	354	11 806
Net limited miscellaneous deductions	85 185	1,521 621	84 872	1 501 784	313	19 837	93,208	1 517 670	93 053	1 512,853	155	4 817
Non limited miscellaneous deductions	16 547	263,771	16 423	239 435	124	24 336	18,776	259 976	18 673	237 294	103	22 682
Moving expenses deduction	11 732	106 825	11 726	106 790	6	35	9,790	80,505	9 785	80 476	5	29
Excess of exemptions and deductions over adjusted gross income	2 606	540,842	1 907	333,911	699	206 931	3 049	448,933	2 702	357 728	347	91 206
Taxable income	537 360	215,559 222	537 203	215 510 133	157	49 089	554 773	216 832,559	554 649	216 784 592	124	47 968
Tax at normal rates	537 347	78 160 791	537 202	78,141 674	145	19 116	554 765	78 535 048	554 648	78 516 267	117	18 781
Income tax before credits	537 348	72,221 543	537 203	72,203 034	145	18 509	554 770	72 561,701	554 653	72 543 519	117	18 182
Tax credits												
Total	120 129	875 366	119 984	856 857	145	18,509	125,122	876 444	125 005	858 262	117	18 182
Personal credits	28 273	15 579	28 260	15 569	13	10	27 460	15 145	27 453	15 141	7	4
Non personal credits	96 645	859 787	96 501	841 289	144	18,499	102 386	861 299	102 269	843 121	117	18 178
Foreign tax credit	61 657	546 048	61 540	527 739	117	18 309	66 693	548 469	66 585	530 439	108	18 031
Business credit	34 765	288 835	34 738	288,748	27	87	35,506	287 666	35 498	287 622	8	44
Alternative minimum tax (Form 6251)	29 973	866 874	29 973	866,874	—	—	35 223	988,834	35 223	988,834	—	—
Total income tax												
Taxes paid to the U S	539 110	72 213,051	539 110	72,213,051	—	—	557,376	72 674 091	557 376	72 674,091	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield												
Income tax before credits	537,348	200,133 786	537 203	200,084 764	145	49 022	554 770	201,321 948	554 653	201 274,030	117	47 918
Income tax after credits	537,004	197,883 768	537 004	197,883 768	—	—	554,452	199 070 141	554 452	199 070,141	—	—
Total income tax	539 110	200 152 237	539 110	200,152 237	—	—	557,376	201,666 679	557,376	201 666 679	—	—

† Data deleted to avoid disclosure of information for specific tax payers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 6—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	442,610	112,913,063	442,169	112,843,502	441	69,561	442,125	111,753,921	441,961	111,710,403	164	43,518
Business or profession												
Net income	106,030	11,873,570	105,875	11,852,560	155	21,009	108,201	11,867,673	108,146	11,857,343	55	10,330
Net loss	46,559	1,685,169	46,357	1,632,056	202	53,114	46,739	1,665,254	46,570	1,644,601	169	20,653
Farm												
Net income	8,255	469,209	8,237	467,453	18	1,756	8,736	469,122	8,732	468,985	4	137
Net loss	22,254	1,221,360	22,174	1,203,873	80	17,487	22,061	1,242,572	22,033	1,230,344	28	12,228
Partnership and S Corporation net income after Section 179 property deduction												
Net income	184,927	36,401,879	184,800	36,378,033	127	23,846	189,330	36,474,855	189,275	36,458,785	55	16,070
Net loss	204,451	11,932,593	203,958	11,576,038	493	356,555	207,816	11,877,755	207,582	11,756,624	234	121,132
Sales of capital assets												
Net gain	354,371	69,328,005	353,872	69,017,248	499	310,757	368,801	69,494,783	368,567	69,399,471	234	95,311
Net loss	97,092	236,418	96,918	235,927	174	491	100,964	248,112	100,904	247,953	60	159
Sales of property other than capital assets												
Net gain	50,650	1,081,531	50,543	1,071,576	107	9,955	50,961	1,075,824	50,923	1,062,777	38	13,047
Net loss	53,503	446,909	53,398	441,012	105	5,897	56,295	457,896	56,193	455,838	102	2,057
Interest received	534,842	21,285,864	534,121	20,814,256	721	471,608	552,920	21,446,438	552,575	21,353,963	345	92,475
Tax-exempt interest	208,854	9,401,170	208,679	9,383,131	175	18,039	239,182	13,539,208	239,005	13,484,529	177	54,679
Dividends	450,774	14,894,191	450,202	14,795,277	572	98,914	470,852	15,849,774	470,586	15,824,127	266	25,647
Pensions and annuities in adjusted gross income	99,847	2,520,833	99,746	2,513,153	101	7,680	108,814	2,748,916	108,785	2,747,492	29	1,424
Rent												
Net income	105,718	3,813,201	105,563	3,798,478	155	14,723	110,189	3,947,894	110,144	3,940,039	45	7,855
Net loss (deductible and nondeductible)	143,138	3,010,991	142,870	2,988,724	268	22,267	141,760	2,894,249	141,577	2,884,961	183	9,289
Net loss (nondeductible)	96,178	725,121	96,011	721,292	167	3,830	92,540	634,824	92,425	634,327	115	497
Royalty												
Net income	44,752	1,108,187	44,623	1,102,522	129	5,665	48,731	1,163,974	48,607	1,161,917	124	2,057
Net loss	5,181	30,454	5,166	30,341	15	113	4,918	29,645	4,914	29,612	4	33
Estate or trust												
Net income	36,098	1,621,499	36,048	1,616,837	50	4,662	41,598	1,713,644	41,578	1,712,923	20	722
Net loss	8,767	170,741	8,743	169,076	24	1,665	9,299	168,611	9,292	168,482	7	129
State income tax refunds	292,066	1,549,799	291,815	1,544,731	251	5,068	297,625	1,574,750	297,541	1,572,262	84	2,488
Windfall profit tax refunds	3,257	4,240	3,249	4,239	8	1	3,945	4,295	3,944	4,294	1	1
Windfall profit tax withheld	6,517	2,282	6,493	2,260	24	22	6,959	2,295	6,942	2,281	17	15
Alimony received	1,777	149,460	↑	↑	↑	↑	1,692	146,620	1,692	146,620	—	—
Social security benefits in adjusted gross income	90,650	544,145	90,539	543,500	111	645	109,233	668,370	109,181	668,084	52	286
Unemployment compensation	2,920	6,428	↑	↑	↑	↑	2,687	5,931	2,685	5,921	2	10
Other income	114,038	2,663,948	113,848	2,642,729	190	21,219	116,516	2,661,101	116,440	2,645,490	76	15,611
Other loss	9,296	806,445	9,198	779,709	98	26,737	9,510	832,611	9,475	803,733	35	28,877
Total income	539,967	263,247,074	539,227	262,660,219	740	586,855	557,848	264,137,033	557,484	264,004,119	364	132,914
Total statutory adjustments	171,290	2,542,167	171,157	2,540,086	133	2,081	174,165	2,526,677	174,125	2,525,825	40	852
Employee business expense	18,478	138,041	18,471	137,879	7	161	17,770	132,578	17,767	132,438	3	140
Payments to an IRA	60,086	175,872	60,040	175,762	46	110	63,119	184,557	63,110	184,531	9	26
Payments to a Keogh plan	64,602	1,491,768	64,582	1,491,418	20	350	64,761	1,479,676	64,753	1,479,504	8	172
Expanded income	539,966	267,335,219	539,227	267,280,632	739	54,587	557,848	274,803,167	557,484	274,646,649	364	156,518
Investment interest per adjusted gross income concept	420,099	6,940,934	419,413	6,390,708	686	550,225	424,293	5,778,743	424,044	5,716,714	249	62,029
Investment interest per alternative income concept	420,099	6,940,934	419,413	6,390,708	686	550,225	426,183	5,841,532	425,934	5,778,375	249	63,157
Total tax preferences excluded from adjusted gross income	309,821	14,995,327	309,492	14,969,270	329	26,057	342,322	20,192,220	342,065	20,104,010	257	88,210
Adjusted gross income	539,967	260,704,907	539,227	260,120,133	740	584,774	557,848	261,610,356	557,484	261,478,294	364	132,062

Footnote(s) at end of table

Table 6—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	539,143	3,059,641	†	†	†	†	556,974	3,095,855	556,610	3,094,165	364	1,690
Itemized deductions												
Total per adjusted gross income concept	528,932	42,593,674	528,192	41,806,750	740	786,923	545,677	42,096,650	545,350	41,875,484	327	221,166
Total per alternative income concept	528,932	42,593,674	528,192	41,806,750	740	786,923	545,659	36,593,028	545,333	36,434,098	326	158,930
Contributions deduction	514,664	8,360,151	513,989	8,301,942	675	58,209	531,816	8,737,318	531,519	8,708,607	297	28,711
Interest paid deduction												
Total per adjusted gross income concept	475,544	13,450,406	474,836	12,843,606	708	606,800	484,029	12,196,913	483,734	12,095,225	295	101,688
Total per alternative income concept	475,544	13,450,406	474,836	12,843,606	708	606,800	399,837	7,059,133	399,577	7,019,601	260	39,532
Total home mortgage interest	394,289	6,433,176	393,739	6,399,722	550	33,454	395,837	6,349,250	395,586	6,326,992	251	22,258
Medical and dental expense deduction	7,462	261,726	7,430	256,407	32	5,318	11,651	407,463	11,626	402,806	25	4,656
Net casualty or theft loss deduction	805	101,676	766	67,079	39	34,597	934	118,154	817	70,719	117	47,434
Taxes paid deduction	525,880	18,527,498	525,169	18,489,399	711	38,099	542,817	18,778,651	542,506	18,767,206	311	11,445
Net limited miscellaneous deductions	85,185	1,521,621	84,880	1,501,914	305	19,707	93,208	1,517,670	93,058	1,512,974	150	4,696
Non-limited miscellaneous deductions	16,547	263,771	16,448	239,601	99	24,171	18,776	259,976	18,695	237,458	81	22,518
Moving expenses deduction	11,732	106,825	†	†	†	†	9,790	80,505	9,789	80,489	1	17
Excess of exemptions and deductions over adjusted gross income	2,606	540,842	1,907	333,911	699	206,931	3,049	448,933	2,702	357,728	347	91,206
Taxable income	537,360	215,559,222	537,320	215,558,398	40	825	554,773	216,832,559	554,757	216,832,041	16	519
Tax at normal rates	537,347	78,160,791	537,319	78,160,590	28	200	554,765	78,535,048	554,756	78,534,896	9	152
Income tax before credits	537,348	72,221,543	537,320	72,221,348	28	194	554,770	72,561,701	554,761	72,561,552	9	149
Tax credits												
Total	67,789	329,318	67,761	329,124	28	194	68,026	327,974	68,017	327,825	9	149
Personal credits	28,273	15,579	28,266	15,570	7	8	27,460	15,145	27,458	15,143	2	2
Non personal credits	42,248	313,740	42,221	313,553	27	186	43,284	312,829	43,275	312,682	9	147
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credits	34,765	288,835	34,740	288,752	25	83	35,506	287,666	35,498	287,622	8	44
Alternative minimum tax (Form 6251)	29,973	866,874	29,973	866,874	—	—	35,223	988,834	35,223	988,834	—	—
Total income tax												
Taxes paid to the U.S.	539,227	72,759,099	539,227	72,759,099	—	—	557,484	73,222,561	557,484	73,222,561	—	—
Foreign taxes paid	61,657	546,048	61,657	546,048	—	—	66,693	548,469	66,693	548,469	—	—
Taxable income which would yield												
Income tax before credits	537,348	200,132,259	537,320	200,131,455	28	804	554,770	201,320,434	554,761	201,319,919	9	515
Income tax after credits	537,320	199,288,765	537,320	199,288,765	—	—	554,757	200,479,938	554,757	200,479,938	—	—
Total income tax	539,227	201,549,884	539,227	201,549,884	—	—	557,484	203,069,326	557,484	203,069,326	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 7—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Total Income Tax												
Returns with adjusted gross income \$200,000 or more												
Total	531,116	100.0	148,522	28.0	249,902	47.1	45,186	8.5	2,856	0.5	366	0.1
Interest paid deduction	166,482	31.3	—	—	124,809	49.9	10,221	22.6	380	13.3	18	4.9
Taxes paid deduction	175,262	33.0	108,102	72.8	—	—	28,072	62.1	1,259	44.1	270	73.8
Contributions deduction	115,180	21.7	18,742	12.6	87,783	35.1	—	—	634	22.2	25	6.8
Medical and dental expense deduction	1,981	0.4	152	0.1	1,020	0.4	687	1.5	—	—	—	—
Net casualty or theft loss deduction	170	()	25	()	84	()	—	—	—	—	—	—
Total miscellaneous deduction	15,977	3.0	3,575	2.4	8,440	3.4	1,823	4.0	583	20.4	—	—
Foreign tax credit	2,774	0.5	220	0.1	1,913	0.8	151	0.3	—	—	50	13.7
Business credit	5,002	0.9	1,567	1.1	2,118	0.8	263	0.6	—	—	—	—
All other tax credits	1,134	0.2	353	0.2	659	0.3	5	()	—	—	—	—
Partnership and S Corporation net losses	42,805	8.1	15,557	10.5	21,887	8.8	3,929	8.7	—	—	3	0.8
No second largest item	4,349	0.8	229	0.2	1,189	0.5	35	0.1	—	—	—	—
Returns with expanded income \$200,000 or more												
Total	547,847	100.0	108,858	19.9	285,943	52.2	56,550	10.3	4,990	0.9	468	0.1
Interest paid deduction	150,242	27.4	—	—	118,631	41.5	8,832	15.6	347	7.0	54	11.5
Taxes paid deduction	168,123	30.7	82,332	75.6	—	—	36,576	64.7	2,459	49.3	327	69.9
Contributions deduction	145,414	26.5	14,043	12.9	117,719	41.2	—	—	1,550	31.1	26	5.6
Medical and dental expense deduction	3,022	0.6	100	0.1	1,591	0.6	1,171	2.1	—	—	—	—
Net casualty or theft loss deduction	122	()	25	()	87	()	—	—	—	—	—	—
Total miscellaneous deduction	18,367	3.4	1,122	1.0	11,559	4.0	3,370	6.0	583	11.7	—	—
Foreign tax credit	3,453	0.6	133	0.1	2,497	0.9	173	0.3	—	—	50	10.7
Business credit	4,956	0.9	833	0.8	2,385	0.8	296	0.5	—	—	—	—
All other tax credits	1,459	0.3	352	0.3	843	0.3	5	()	—	—	—	—
Partnership and S Corporation net losses	45,383	8.3	9,830	9.0	28,228	9.9	5,767	10.2	51	1.0	11	2.4
No second largest item	7,306	1.3	88	0.1	2,403	0.8	360	0.6	—	—	—	—
Returns Without Total Income Tax												
Returns with adjusted gross income \$200,000 or more												
Total	857	100.0	503	58.7	†	†	20	2.3	19	2.2	32	3.7
Interest paid deduction	208	24.3	—	—	†	†	†	†	3	15.8	12	37.5
Taxes paid deduction	152	17.7	124	24.7	—	—	—	—	4	21.1	10	31.3
Contributions deduction	133	15.5	112	22.3	—	—	—	—	5	26.3	†	†
Medical and dental expense deduction	†	†	†	†	—	—	†	†	—	—	†	†
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	44	5.1	33	6.6	—	—	—	—	7	36.8	†	†
Foreign tax credit	4	0.5	3	0.6	—	—	—	—	—	—	—	—
Business credit	7	0.8	5	1.0	—	—	†	†	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	245	28.6	220	43.7	†	†	†	†	—	—	5	15.6
No second largest item	58	6.8	3	0.6	—	—	—	—	—	—	†	†
Returns with expanded income \$200,000 or more												
Total	463	100.0	59	12.7	4	0.9	37	8.0	17	3.7	115	24.8
Interest paid deduction	105	22.7	—	—	—	—	16	43.2	1	5.9	7	6.1
Taxes paid deduction	67	14.5	20	33.9	—	—	11	29.7	4	23.5	11	9.6
Contributions deduction	48	10.4	19	32.2	2	50.0	—	—	5	29.4	2	1.7
Medical and dental expense deduction	2	0.4	—	—	—	—	1	2.7	—	—	1	0.9
Net casualty or theft loss deduction	1	0.2	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	15	3.2	2	3.4	—	—	2	5.4	7	41.2	3	2.6
Foreign tax credit	4	0.9	1	1.7	—	—	1	2.7	—	—	—	—
Business credit	2	0.4	—	—	—	—	1	2.7	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	132	28.5	16	27.1	2	50.0	5	13.5	—	—	90	78.3
No second largest item	87	18.8	1	1.7	—	—	—	—	—	—	1	0.9

Footnote(s) at end of table

Table 7—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—continued									
	Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	9,597	1.8	5,175	1.0	3,851	0.7	554	0.1	65,107	12.3
Interest paid deduction	2,953	30.8	1,772	34.2	1,309	34.0	182	32.9	24,838	38.1
Taxes paid deduction	4,164	43.4	1,358	26.2	1,540	40.0	270	48.7	30,227	46.4
Contributions deduction	1,334	13.9	406	7.8	263	6.8	88	15.9	5,905	9.1
Medical and dental expense deduction	62	0.6	—	—	—	—	—	—	60	0.1
Net casualty or theft loss deduction	51	0.5	†	†	†	†	—	—	—	—
Total miscellaneous deduction	—	—	212	4.1	108	2.8	—	—	1,236	1.9
Foreign tax credit	13	0.1	—	—	118	3.1	†	†	307	0.5
Business credit	—	—	77	1.5	—	—	†	†	976	1.5
All other tax credits	—	—	†	†	†	†	—	—	114	0.2
Partnership and S Corporation net losses	921	9.6	281	5.4	226	5.9	†	†	—	—
No second largest item	99	1.0	1,059	20.5	284	7.4	10	1.8	1,444	2.2
Returns with expanded income \$200,000 or more										
Total	6,862	1.3	5,598	1.0	4,385	0.8	558	0.1	73,635	13.4
Interest paid deduction	850	12.4	1,213	21.7	898	20.5	28	5.0	19,389	26.3
Taxes paid deduction	3,399	49.5	1,674	29.9	2,102	47.9	300	53.8	38,954	52.9
Contributions deduction	1,605	23.4	448	8.0	494	11.3	115	20.6	9,414	12.8
Medical and dental expense deduction	62	0.9	—	—	—	—	—	—	98	0.1
Net casualty or theft loss deduction	—	—	8	0.1	2	()	—	—	—	—
Total miscellaneous deduction	—	—	159	2.8	111	2.5	—	—	1,463	2.0
Foreign tax credit	65	0.9	—	—	118	2.7	2	0.4	415	0.6
Business credit	4	0.1	79	1.4	—	—	1	0.2	1,358	1.8
All other tax credits	—	—	5	0.1	13	0.3	—	—	241	0.3
Partnership and S Corporation net losses	775	11.3	462	8.3	258	5.9	1	0.2	—	—
No second largest item	102	1.5	1,550	27.7	389	8.9	111	19.9	2,303	3.1
Returns Without Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	45	5.3	107	12.5	—	—	†	†	125	14.6
Interest paid deduction	20	44.4	39	36.4	—	—	—	—	115	92.0
Taxes paid deduction	7	15.6	5	4.7	—	—	—	—	†	†
Contributions deduction	5	11.1	†	†	—	—	—	—	6	4.8
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	†	†	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	†	†
Business credit	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	†	†	10	9.3	—	—	†	†	—	—
No second largest item	6	13.3	48	44.9	—	—	—	—	—	—
Returns with expanded income \$200,000 or more										
Total	45	9.7	103	22.2	—	—	1	0.2	82	17.7
Interest paid deduction	14	31.1	31	30.1	—	—	—	—	36	43.9
Taxes paid deduction	10	22.2	7	6.8	—	—	—	—	4	4.9
Contributions deduction	5	11.1	4	3.9	—	—	—	—	11	13.4
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	1	2.2	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	1	1.0	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	2	2.4
Business credit	1	2.2	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	8	17.8	10	9.7	—	—	1	100.0	—	—
No second largest item	6	13.3	50	48.5	—	—	—	—	29	35.4

() Less than 0.05 percent

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

NOTE: Detail may not add to total because of rounding

Table 8—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Returns With Modified Total Income Tax												
Returns with adjusted gross income \$200,000 or more												
Total	530,126	100.0	150,339	28.4	251,265	47.4	45,598	8.6	2,856	0.5	374	0.1
Interest paid deduction	166,595	31.4	—	—	126,091	50.2	10,478	23.0	380	13.3	18	4.8
Taxes paid deduction	175,776	33.2	109,551	72.9	—	—	28,173	61.8	1,259	44.1	328	87.7
Contributions deduction	116,438	22.0	19,025	12.7	89,079	35.5	—	—	634	22.2	25	6.7
Medical and dental expense deduction	2,040	0.4	153	0.1	1,078	0.4	687	1.5	—	—	—	—
Net casualty or theft loss deduction	162	()	25	()	84	()	—	—	—	—	—	—
Total miscellaneous deduction	16,424	3.1	3,704	2.5	8,828	3.5	1,945	4.3	583	20.4	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	4,975	0.9	1,569	1.0	2,133	0.8	264	0.6	—	—	—	—
All other tax credits	1,142	0.2	357	0.2	660	0.3	5	()	—	—	—	—
Partnership and S Corporation net losses	42,835	8.1	15,697	10.4	21,978	8.7	4,004	8.8	—	—	3	0.8
No second largest item	3,739	0.7	258	0.2	1,334	0.5	42	0.1	—	—	—	—
Returns with expanded income \$200,000 or more												
Total	546,355	100.0	110,103	20.2	287,624	52.6	57,004	10.4	4,990	0.9	476	0.1
Interest paid deduction	150,626	27.6	—	—	119,821	41.7	9,019	15.8	347	7.0	54	11.3
Taxes paid deduction	168,063	30.8	83,329	75.7	—	—	36,777	64.5	2,459	49.3	385	80.9
Contributions deduction	147,319	27.0	14,217	12.9	119,796	41.7	—	—	1,550	31.1	26	5.5
Medical and dental expense deduction	3,080	0.6	100	0.1	1,649	0.6	1,171	2.1	—	—	—	—
Net casualty or theft loss deduction	114	()	25	()	87	()	—	—	—	—	—	—
Total miscellaneous deduction	18,868	3.5	1,237	1.1	11,895	4.1	3,503	6.1	583	11.7	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	4,940	0.9	834	0.8	2,409	0.8	297	0.5	—	—	—	—
All other tax credits	1,514	0.3	355	0.3	895	0.3	5	()	—	—	—	—
Partnership and S Corporation net losses	45,233	8.3	9,894	9.0	28,392	9.9	5,845	10.3	51	1.0	11	2.3
No second largest item	6,598	1.2	112	0.1	2,680	0.9	387	0.7	—	—	—	—
Returns Without Modified Total Income Tax												
Returns with adjusted gross income \$200,000 or more												
Total	740	100.0	497	67.2	†	†	18	2.4	19	2.6	32	4.3
Interest paid deduction	166	22.4	—	—	†	†	†	†	3	15.8	12	37.5
Taxes paid deduction	147	19.9	124	24.9	—	—	—	—	4	21.1	10	31.3
Contributions deduction	128	17.3	111	22.3	—	—	—	—	5	26.3	†	†
Medical and dental expense deduction	†	†	†	†	—	—	†	†	—	—	†	†
Net casualty or theft loss deduction	†	†	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	43	5.8	33	6.6	—	—	—	—	7	36.8	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	7	0.9	5	1.0	—	—	†	†	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	233	31.5	218	43.9	†	†	†	†	—	—	5	15.6
No second largest item	10	1.4	3	0.6	—	—	—	—	—	—	†	†
Returns with expanded income \$200,000 or more												
Total	355	100.0	58	16.3	4	1.1	35	9.9	17	4.8	115	32.4
Interest paid deduction	74	20.8	—	—	—	—	16	45.7	1	5.9	7	6.1
Taxes paid deduction	60	16.9	20	34.5	—	—	11	31.4	4	23.5	11	9.6
Contributions deduction	44	12.4	19	32.8	2	50.0	—	—	5	29.4	2	1.7
Medical and dental expense deduction	2	0.6	—	—	—	—	1	2.9	—	—	1	0.9
Net casualty or theft loss deduction	1	0.3	—	—	—	—	—	—	—	—	—	—
Total miscellaneous deduction	14	3.9	2	3.4	—	—	2	5.7	7	41.2	3	2.6
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	2	0.6	—	—	—	—	1	2.9	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	121	34.1	16	27.6	2	50.0	4	11.4	—	—	90	78.3
No second largest item	37	10.4	1	1.7	—	—	—	—	—	—	1	0.9

Footnote(s) at end of table

Table 8—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued									
	Total miscellaneous deduction		Foreign tax credit		Business credit		All other tax credits		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Returns With Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	9,810	1.9	—	—	3,928	0.7	556	0.1	65,400	12.3
Interest paid deduction	3,019	30.8	—	—	1,323	33.7	182	32.7	25,104	38.4
Taxes paid deduction	4,245	43.3	—	—	1,648	42.0	272	48.9	30,300	46.3
Contributions deduction	1,391	14.2	—	—	274	7.0	88	15.8	5,922	9.1
Medical and dental expense deduction	62	0.6	—	—	—	—	—	—	60	0.1
Net casualty or theft loss deduction	51	0.5	—	—	†	†	—	—	—	—
Total miscellaneous deduction	—	—	—	—	108	2.7	—	—	1,256	1.9
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	16	0.2	—	—	—	—	†	†	992	1.5
All other tax credits	—	—	—	—	†	†	—	—	119	0.2
Partnership and S Corporation net losses	926	9.4	—	—	226	5.8	†	†	—	—
No second largest item	100	1.0	—	—	346	8.8	†	†	1,647	2.5
Returns with expanded income \$200,000 or more										
Total	7,022	1.3	—	—	4,464	0.8	563	0.1	74,109	13.6
Interest paid deduction	913	13.0	—	—	910	20.4	28	5.0	19,534	26.4
Taxes paid deduction	3,477	49.5	—	—	2,212	49.6	302	53.6	39,122	52.8
Contributions deduction	1,666	23.7	—	—	505	11.3	116	20.6	9,443	12.7
Medical and dental expense deduction	62	0.9	—	—	—	—	—	—	98	0.1
Net casualty or theft loss deduction	—	—	—	—	2	()	—	—	—	—
Total miscellaneous deduction	—	—	—	—	111	2.5	—	—	1,539	2.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	20	0.3	—	—	—	—	1	0.2	1,379	1.9
All other tax credits	—	—	—	—	13	0.3	—	—	246	0.3
Partnership and S Corporation net losses	781	11.1	—	—	258	5.8	1	0.2	—	—
No second largest item	103	1.5	—	—	453	10.1	115	20.4	2,748	3.7
Returns Without Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	45	6.1	—	—	—	—	†	†	123	16.6
Interest paid deduction	20	44.4	—	—	—	—	—	—	114	92.7
Taxes paid deduction	7	15.6	—	—	—	—	—	—	†	†
Contributions deduction	5	11.1	—	—	—	—	—	—	6	4.9
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	†	†	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	—	—	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	†	†	—	—	—	—	†	†	—	—
No second largest item	6	13.3	—	—	—	—	—	—	—	—
Returns with expanded income \$200,000 or more										
Total	45	12.7	—	—	—	—	1	0.3	80	22.5
Interest paid deduction	14	31.1	—	—	—	—	—	—	36	45.0
Taxes paid deduction	10	22.2	—	—	—	—	—	—	4	5.0
Contributions deduction	5	11.1	—	—	—	—	—	—	11	13.8
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	1	2.2	—	—	—	—	—	—	—	—
Total miscellaneous deduction	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Business credit	1	2.2	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—
Partnership and S Corporation net losses	8	17.8	—	—	—	—	1	100.0	—	—
No second largest item	6	13.3	—	—	—	—	—	—	29	36.3

() Less than 0.05 percent

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

NOTE: Detail may not add to total because of rounding

Table 9—Returns Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	857	53	32	15	5	3	†	†	†	90	654
Interest paid deduction											
Total	857	87	83	23	8	12	21	19	27	223	354
Investment interest per income concept	857	118	113	42	22	20	23	26	31	220	242
Taxes paid deduction	857	95	586	101	28	17	†	9	†	†	12
Contributions deduction	857	132	470	80	41	39	61	34	—	—	—
Medical and dental expense deduction	857	825	8	—	†	†	†	4	†	6	7
Net casualty or theft loss deduction	857	818	4	†	—	—	—	†	—	10	22
Net limited miscellaneous deduction	857	544	228	45	16	8	4	3	3	3	3
Non-limited miscellaneous deduction	857	733	69	6	4	†	—	†	—	23	18
Deduction equivalent of											
Total credits	857	712	27	4	†	3	†	†	3	104	—
Foreign tax credit	857	740	5	†	—	†	†	†	3	103	—
Business credit	857	830	22	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	857	493	241	33	30	15	9	5	9	5	17

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	472	94	37	17	5	2	3	5	4	156	149
Interest paid deduction											
Total	472	172	167	22	7	5	10	7	5	48	29
Investment interest per income concept	472	182	198	23	8	7	9	5	5	8	27
Taxes paid deduction	472	120	298	31	9	7	1	3	1	—	2
Contributions deduction	472	136	169	98	9	7	11	19	5	9	9
Medical and dental expense deduction	472	447	6	1	—	1	1	3	2	6	5
Net casualty or theft loss deduction	472	355	1	1	—	—	—	—	84	12	19
Net limited miscellaneous deduction	472	317	135	11	4	1	1	—	—	3	—
Non-limited miscellaneous deduction	472	371	55	1	1	1	—	1	—	23	19
Deduction equivalent of											
Total credits	472	355	7	2	2	2	2	2	—	99	1
Foreign tax credit	472	364	1	2	1	—	2	2	—	99	1
Business credit	472	464	6	—	1	1	—	—	—	—	—
Tax preferences excluded from adjusted gross income	472	185	67	12	38	11	4	8	2	100	45

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals

Table 10—Returns Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	740	—	—	—	†	—	—	—	†	†	654
Interest paid deduction											
Total	740	32	45	14	5	8	19	17	27	219	354
Investment interest per income concept	740	54	73	38	20	19	22	24	31	217	242
Taxes paid deduction	740	29	536	100	28	17	†	9	†	†	12
Contributions deduction	740	65	424	79	40	39	60	33	—	—	—
Medical and dental expense deduction	740	708	8	—	†	†	†	4	†	6	7
Net casualty or theft loss deduction	740	701	4	†	—	—	—	†	—	10	22
Net limited miscellaneous deduction	740	435	222	43	16	8	4	3	3	3	3
Non-limited miscellaneous deduction	740	641	44	6	4	†	—	†	—	23	18
Deduction equivalent of											
Total credits	740	712	22	†	†	†	—	—	—	†	—
Foreign tax credit	740	740	—	—	—	—	—	—	—	—	—
Business credit	740	715	20	†	—	†	—	—	—	—	—
Tax preferences excluded from adjusted gross income	740	411	214	31	28	14	9	5	9	5	14

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	364	38	2	7	2	2	2	4	4	154	149
Interest paid deduction											
Total	364	104	137	14	7	4	9	7	5	48	29
Investment interest per income concept	364	115	162	22	6	7	9	5	5	7	26
Taxes paid deduction	364	53	258	30	9	7	1	3	1	—	2
Contributions deduction	364	67	133	97	9	7	11	18	5	8	9
Medical and dental expense deduction	364	339	6	1	—	1	1	3	2	6	5
Net casualty or theft loss deduction	364	247	1	1	—	—	—	—	84	12	19
Net limited miscellaneous deduction	364	214	132	9	4	1	1	—	—	3	—
Non-limited miscellaneous deduction	364	283	35	1	1	1	—	1	—	23	19
Deduction equivalent of											
Total credits	364	355	6	—	1	2	—	—	—	—	—
Foreign tax credit	364	364	—	—	—	—	—	—	—	—	—
Business credit	364	356	6	—	1	1	—	—	—	—	—
Tax preferences excluded from adjusted gross income	364	107	45	9	36	11	4	7	2	98	45

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

Table 11—Returns With and Without Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts¹

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	106,996,270	100.0	94,768,013	100.0	10,174,636	100.0	1,513,654	100.0	539,967	100.0
Returns without total income tax	18,362,205	17.2	18,341,407	19.4	16,197	0.2	3,744	0.2	857	0.2
Returns with total income tax	88,634,065	82.8	76,426,606	80.6	10,158,439	99.8	1,509,910	99.8	539,110	99.8
Effective tax rate										
Under 5 percent	18,797,808	17.6	18,690,609	19.7	92,444	0.9	12,214	0.8	2,541	0.5
5 under 10 percent	35,477,075	33.2	34,413,768	36.3	1,035,380	10.2	24,408	1.6	3,519	0.7
10 under 15 percent	23,525,624	22.0	19,355,876	20.4	4,060,285	39.9	99,813	6.6	9,650	1.8
15 under 20 percent	7,457,532	7.0	3,282,373	3.5	3,755,517	36.9	388,532	25.7	31,110	5.8
20 under 25 percent	2,419,697	2.3	551,596	0.6	1,084,717	10.7	668,263	44.1	115,121	21.3
25 under 30 percent	675,405	0.6	58,889	0.1	108,089	1.1	281,927	18.6	226,500	41.9
30 under 35 percent	205,880	0.2	29,538	()	11,715	0.1	31,418	2.1	133,209	24.7
35 under 40 percent	31,794	()	14,632	()	1,471	()	1,477	0.1	14,214	2.6
40 under 45 percent	4,180	()	53	()	2,489	()	241	()	1,397	0.3
45 under 50 percent	3,957	()	473	()	2,380	()	167	()	937	0.2
50 under 60 percent	8,400	()	3,632	()	3,406	()	787	0.1	575	0.1
60 under 70 percent	3,423	()	2,821	()	343	()	91	()	168	()
70 under 80 percent	238	()	84	()	4	()	33	()	117	()
80 percent or more	23,052	()	22,262	()	199	()	539	()	52	()

Effective Tax Rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	106,996,270	100.0	95,025,944	100.0	9,927,093	100.0	1,485,385	100.0	557,848	100.0
Returns without total income tax	18,362,205	17.2	18,336,554	19.3	20,501	0.2	4,678	0.3	472	0.1
Returns with total income tax	88,634,065	82.8	76,689,390	80.7	9,906,592	99.8	1,480,707	99.7	557,376	99.9
Effective tax rate										
Under 5 percent	18,696,655	17.5	18,581,750	19.6	90,771	0.9	14,863	1.0	9,271	1.7
5 under 10 percent	35,155,635	32.9	34,227,777	36.0	884,173	8.9	35,874	2.4	7,811	1.4
10 under 15 percent	23,733,605	22.2	19,761,251	20.8	3,860,579	38.9	93,881	6.3	17,894	3.2
15 under 20 percent	7,629,148	7.1	3,390,735	3.6	3,847,432	38.8	347,373	23.4	43,608	7.8
20 under 25 percent	2,466,114	2.3	594,644	0.6	1,086,755	10.9	664,708	44.7	120,007	21.5
25 under 30 percent	680,793	0.6	58,906	0.1	113,739	1.1	290,384	19.5	217,764	39.0
30 under 35 percent	195,299	0.2	26,671	()	12,667	0.1	29,409	2.0	126,552	22.7
35 under 40 percent	32,307	()	14,638	()	2,374	()	2,659	0.2	12,636	2.3
40 under 45 percent	4,243	()	470	()	2,449	()	528	()	796	0.1
45 under 50 percent	3,948	()	243	()	2,527	()	635	()	543	0.1
50 under 60 percent	4,558	()	2,257	()	1,705	()	319	()	277	()
60 under 70 percent	4,644	()	3,282	()	1,287	()	13	()	62	()
70 under 80 percent	658	()	603	()	31	()	12	()	12	()
80 percent or more	26,458	()	26,163	()	103	()	49	()	143	()

() Less than 0.05 percent

¹ Returns with total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE: Detail may not add to total because of rounding

Table 12—Returns With and Without Modified Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts¹

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	106,996,270	100.0	94,768,013	100.0	10,174,636	100.0	1,513,654	100.0	539,967	100.0
Returns without modified total income tax	18,329,811	17.1	18,311,278	19.3	14,555	0.1	3,238	0.2	740	0.1
Returns with modified total income tax	88,666,459	82.9	76,456,735	80.7	10,160,081	99.9	1,510,416	99.8	539,227	99.9
Effective tax rate										
Under 5 percent	18,781,961	17.6	18,683,978	19.7	88,260	0.9	8,667	0.6	1,056	0.2
5 under 10 percent	35,479,638	33.2	34,423,618	36.3	1,030,980	10.1	22,274	1.5	2,766	0.5
10 under 15 percent	23,537,539	22.0	19,374,809	20.4	4,056,576	39.9	97,045	6.4	9,109	1.7
15 under 20 percent	7,466,874	7.0	3,287,204	3.5	3,761,077	37.0	388,348	25.7	30,245	5.6
20 under 25 percent	2,430,753	2.3	554,342	0.6	1,091,492	10.7	670,478	44.3	114,441	21.2
25 under 30 percent	682,832	0.6	58,889	0.1	109,197	1.1	286,933	19.0	227,813	42.2
30 under 35 percent	210,609	0.2	29,929	()	12,207	0.1	33,034	2.2	135,439	25.1
35 under 40 percent	32,739	()	14,632	()	1,471	()	1,679	0.1	14,957	2.8
40 under 45 percent	4,325	()	53	()	2,489	()	291	()	1,492	0.3
45 under 50 percent	3,914	()	473	()	2,330	()	167	()	944	0.2
50 under 60 percent	8,552	()	3,632	()	3,456	()	837	0.1	627	0.1
60 under 70 percent	3,424	()	2,821	()	343	()	91	()	169	()
70 under 80 percent	238	()	84	()	4	()	33	()	117	()
80 percent or more	23,061	()	22,271	()	199	()	539	()	52	()

Effective Tax Rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	106,996,270	100.0	95,025,944	100.0	9,927,093	100.0	1,485,385	100.0	557,848	100.0
Returns without modified total income tax	18,329,811	17.1	18,305,981	19.3	19,300	0.2	4,166	0.3	364	0.1
Returns with modified total income tax	88,666,459	82.9	76,719,963	80.7	9,907,793	99.8	1,481,219	99.7	557,484	99.9
Effective tax rate										
Under 5 percent	18,680,329	17.5	18,574,518	19.5	86,612	0.9	11,470	0.8	7,729	1.4
5 under 10 percent	35,157,354	32.9	34,237,678	36.0	879,420	8.9	33,196	2.2	7,060	1.3
10 under 15 percent	23,747,244	22.2	19,780,546	20.8	3,857,387	38.9	92,051	6.2	17,260	3.1
15 under 20 percent	7,637,009	7.1	3,396,488	3.6	3,851,670	38.8	346,120	23.3	42,731	7.7
20 under 25 percent	2,476,734	2.3	596,669	0.6	1,093,439	11.0	666,989	44.9	119,637	21.4
25 under 30 percent	689,150	0.6	58,907	0.1	115,661	1.2	295,582	19.9	218,980	39.3
30 under 35 percent	200,406	0.2	27,492	()	13,058	0.1	31,191	2.1	128,665	23.1
35 under 40 percent	33,378	()	14,638	()	2,424	()	2,912	0.2	13,404	2.4
40 under 45 percent	4,515	()	470	()	2,449	()	679	()	917	0.2
45 under 50 percent	3,958	()	243	()	2,527	()	635	()	553	0.1
50 under 60 percent	4,612	()	2,257	()	1,705	()	320	()	330	0.1
60 under 70 percent	4,645	()	3,282	()	1,287	()	13	()	63	()
70 under 80 percent	657	()	603	()	31	()	12	()	11	()
80 percent or more	26,468	()	26,172	()	103	()	49	()	144	()

() : Less than 0.05 percent

¹ Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE: Detail may not add to total because of rounding

Section 5

Explanation of Terms

The explanation of terms is designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1987.

The definitions and explanations supplied in this section relate to column or stub titles in one or more tables in this report. They provide background or limitations to such titles and are necessary to interpret the statistical tables to which they relate. For each of these titles, the tax form and line number on which it is reported appears after the title. Definitions marked with the symbol # are either new or modified definitions reflecting changes in the law.

Section 6, 1987 Forms and Instructions, provides further information about many of the items in this report. The terms used in Section 4 differ substantially from those applicable to the remainder of the report and are defined separately in that section.

Adjusted Gross Income Less Deficit # (line 30, Form 1040)

The broadest definition of gross income is all income from whatever source derived, including (but not limited to) the following:

- Compensation for services, including wages, fees, commissions, tips, fringe benefits, and similar items;
- Gross income derived from business;
- Gains derived from dealings in property;
- Interest, rents, and royalties;
- Dividends and capital gains distributions;
- Alimony and separate maintenance payments;
- Annuities, pensions, and individual retirement arrangement (IRA) distributions;
- Income from life insurance and endowment contracts;
- Distributive share of partnership gross income;
- Income from an interest in an estate or trust;
- Bartering income;
- Reimbursed business expenses;
- Amounts received that were claimed as a

- deduction or credit in a prior year;
- Gambling winnings;
- Prizes and awards;
- Some social security payments; and
- All unemployment compensation.

Some items are specifically excluded (completely or partially) from gross income for income tax purposes. In particular the following are excluded:

- Accident and health insurance proceeds, "Black Lung" benefits, and casualty insurance proceeds;
- Child support payments;
- Cost-of-living allowances paid to U.S. Government employees stationed outside the U.S.;
- Employment agency fees paid directly by the taxpayer's employer and relocation payments;
- Federal Employees' Compensation Act payments;
- Gifts, bequests, or inheritances;
- Life insurance proceeds;
- Employee meals and lodging provided by the employer for the convenience of the employer;
- Military allowances and payments to dependents of military personnel;
- Certain payments to a beneficiary of a deceased employee;
- Payments to reduce the cost of winter energy consumption;
- Housing allowance for members of the clergy;
- Scholarship and fellowship grants for education toward a degree;
- Certain veteran's benefits;
- Worker's compensation;
- Interest on most State or local government bonds;
- Benefit payments from public welfare funds;
- Mustering out benefits;
- Foster care receipts; and
- Some employer provided benefits including insurance and pension contributions.

Gross income is further reduced by certain deductions or exclusions to arrive at "Total Income" (line 22, Form 1040). Following is a list of such items:

- Ordinary and necessary expenses of operating a farm or business;
- Expense deductions attributable to rents, royalties, estates, trusts, and net adjustment for windfall profit tax withheld;
- Depreciation deduction allowed life tenants and income beneficiaries of property held in trust;
- Deductible losses from sales of capital assets and other property;
- Business net operating loss deductions;
- Exclusion of the cost basis of pension, annuity, or IRA payments or distributions;
- Limited exclusion of railroad retirement pension income;
- Limited exclusion of social security benefits;
- Limited exclusion of qualified foreign earned income;
- One-time exclusion of gain from sale of principal residence by individuals who are 55 years or older; and
- Employer contributions to simplified employee pension plans.

From Total Income (line 22 on Form 1040) the following statutory adjustments (lines 23 through 28 on Form 1040) are subtracted to arrive at Adjusted Gross Income (line 30); a Deficit occurs if the allowable exclusions and deductions exceed gross income:

- Reimbursed employee business expenses;
- Contributions to self-employed retirement plans (Keogh or simplified employee pension (SEP)) and to individual retirement arrangements (IRA's) by eligible persons;
- Forfeited interest penalties incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Self-employed health insurance deduction;
- Forestation or reforestation expenses;
- Foreign housing exclusion; and
- Repayments of supplemental unemployment compensation received under the Trade Act of 1974.

Adjustments

See "Statutory Adjustments."

Advance Earned Income Credit Payments (Included in the total on line 53, Form 1040)

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those

payments were then shown on the tax return (line 53 total on Form 1040) where they became either an increase to balance due or a reduction of overpayment. (See also "All Other Taxes.")

Alimony (Lines 12, 28, Form 1040)

Payments received as alimony or separate maintenance were income to the person receiving them and a deduction (an adjustment to gross income) for the person paying them if the payments were:

- (1) required under the terms of a decree of divorce or separate maintenance, or a written instrument incident to that decree;
- (2) paid in discharge of a legal obligation based on the marital relationship; or
- (3) paid after the decree and on a periodic basis.

All Other Taxes (Lines 48, 50, 51, 52, 53, Form 1040)

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing of prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's) or other qualified retirement plans, and other unspecified taxes which included uncollected tax on tips, excess "golden parachute" payments, and section 72 penalty taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the alternative minimum tax and the advance earned income credit payments received. Alternative minimum tax is tabulated in this report as part of "total income tax" and is one of the criteria for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

All Other Taxpayments (Lines 57-60, Form 1040)

"All other taxpayments" included the tax paid with requests for a filing extension, excess social security or railroad retirement tax, credit for tax on gasoline and special fuels, and the credit for tax paid on undistributed capital gains by a regulated investment company.

Alternative Minimum Tax #
(line 49, Form 1040)

The Internal Revenue Code provides for special treatment of certain kinds of income and allows special deductions for certain expenses. To ensure that taxpayers who benefit from these provisions will pay at least a minimum amount of tax, a special alternative tax was enacted.

The alternative minimum tax was levied on benefits received in the form of deductions and exclusions which reduced an individual's regular effective tax rate. These benefits are known as "alternative minimum tax preferences and adjustments" because they result from the preferential treatment that the tax law gives to particular income and expense items.

Alternative minimum taxable income (line 8, Form 6251) was defined as taxable income plus adjustments and tax preference items. Alternative minimum taxable income was then reduced by an exemption amount determined by filing status. If the return was filed jointly by a married couple or a surviving spouse, the amount was \$40,000. The amount for single or head of household taxpayers was \$30,000, and for married couples filing separately, \$20,000.

If there was an amount remaining after subtracting the exemption, it was multiplied by the alternative minimum tax rate of 21 percent and then reduced by the foreign tax credit (limited, in general, to 90 percent of the tax). This amount was then reduced by the regular income tax before credits (line 37, Form 1040 minus the regular foreign tax credit, line 44, Form 1040) to arrive at the alternative minimum tax.

Business or Profession Net Income or Loss
(line 13, Form 1040)

This source of income was reported by individuals who were sole proprietors of a nonfarm business, including self-employed members of a profession.

When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of net income or loss included in adjusted gross income represented the combined net income and loss from all sole proprietorships. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net income. The deduction of net operating losses from other years was not

considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts, and expenditures can be found in the annual summer issue of the Statistics of Income Bulletin.

Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

Casualty or Theft Loss, Nonbusiness #
(line 18, Schedule A)

Nonbusiness casualty and theft losses were deductible from adjusted gross income to the extent that the nonreimbursable net loss for each such casualty or theft exceeded \$100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. A theft was considered to be the unlawful taking and removing of money or property with the intent of depriving the owner of its use. A casualty was defined as a complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature, such as a fire or storm. Beginning with 1987 a deduction for a casualty or theft loss covered by insurance could not be claimed unless a timely insurance claim for reimbursement was made.

Casualty and theft gains and losses were required to be netted. Net gains were realized if total reimbursements (such as insurance payments) exceeded total cost or fair market value for the items. Such net gains were required to be treated as capital gains and reported on Schedule D. Depending on the holding period for the lost asset, the net gains reported on Schedule D were treated as either short- or long-term capital gains.

Child Care Credit
(line 40, Form 1040)

This credit was claimed by taxpayers who, while employed, incurred expenses for the care of dependent children under age 15 or disabled dependents. Qualifying expenses included those for services performed within the home by nondependent babysitters, maids, or cooks. Expenditures paid for the care of children under the age of 15 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or \$2,400 if one qualifying child or dependent was involved and the lesser of earned income or \$4,800 if more than one dependent was involved. The credit was equal to 30 percent of employment-related expenses for taxpayers with adjusted gross income of \$10,000 or less. The credit was reduced by one percentage point for each \$2,000 increment of adjusted gross income in excess of \$10,000 up to \$28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of \$28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits, and any excess was not refundable.

Contributions Deduction # (line 17, Schedule A)

Taxpayers could deduct contributions to organizations that were religious, charitable, educational, scientific, or literary in purpose. Contributions could be in cash, property, or out-of-pocket expenses that a taxpayer paid to do volunteer work for a qualified organization. For 1987 contributions were allowed only as an itemized deduction on Schedule A.

Cash contributions to a single organization of more than \$3,000 were reported separately from other cash contributions, and these data are shown separately in Table 2.1. The total contributions were limited, in general, to 50 percent of adjusted gross income.

Credit for Tax on Certain Gasoline and Special Fuels (line 59, Form 1040)

This was a credit allowed in full or in stated amounts for Federal excise taxes paid on gasoline and special fuels, such as gasahol and diesel fuel, if they were used for: (1) farming purposes, (2) operation of public passenger land transportation services (operators of qualified taxicabs), (3) operation of inter-city, local, or school buses, (4) non-highway purposes of a trade or business, or (5) operation of qualified diesel-powered highway vehicles. These taxes could be applied as a credit to reduce unpaid total tax liability when the individual return was filed (with any amount in excess of total tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three-quarters of the year was at least \$1,000. A one-time credit (or refund) was allowed to the purchaser of a new qualified diesel-powered highway vehicle after January 1, 1985. The credit amount was \$198 for a truck or van and \$102 for any other vehicle, and any

such credit reduced the basis of the vehicle for depreciation or capital gain purposes.

Credit for the Elderly and Permanently and Totally Disabled (line 41, Form 1040)

A credit (claimed on Schedule R) for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations) and to those taxpayers under age 65, retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled if he or she was medically determined to be "unable to engage in any substantial gainful activity because of a physical or mental impairment which could result in death or last 12 continuous months or more."

Individuals, age 65 or older, determined the base amount of income on which to figure the credit from an allowable amount of income classified by filing status and age. The classifications were grouped as follows:

<u>Base Amount</u>	<u>Filing Status</u>
\$5,000	Single and 65 or over or disabled; married filing jointly with only one spouse either 65 or over or retired on disability,
\$7,500	Married filing jointly with both spouses either 65 or over or retired on disability, and
\$3,750	Married filing separately and either 65 or over or retired on disability.

Permanently and totally disabled individuals under age 65 determined the base amount on which to figure the credit as the lesser of the allowable amount (defined above) or taxable disability income. The base amount, for both those under 65 and older, was further reduced by the sum of nontaxable social security benefits, railroad retirement and veterans pensions, and other nontaxable pensions, plus one-half of adjusted gross income in excess of an additional exclusion amount which was also classified by filing status and age. And last, the actual credit was computed as 15 percent of this amount.

The amount of the credit that could be claimed was limited to total income tax, and any excess was not refundable.

Credit from Regulated Investment Companies (line 60, Form 1040)

Taxpayers were instructed to include in gross income any amounts which were allocated to them as capital gain dividends from regulated investment companies, even if they were not actually received. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax paid.

Credit to 1988 Estimated Tax (line 64, Form 1040)

This credit was the part of the overpayment of 1987 tax which taxpayers specifically requested to be credited to their estimated tax for 1988. (See also "Overpayment" and "Estimated Tax Payments.")

Dividends # (line 10, Form 1040)

Dividends received consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either received directly or passed through estates, trusts, or partnerships.

Dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains distributions, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income; and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

Beginning with 1987, the dividend exclusion could no longer be claimed.

Earned Income Credit (line 56, Form 1040)

This was a credit available to low-income workers who had a child living with them for more than half the year. The credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment.

The maximum credit was 14 percent of the first \$6,075 of earned income, or \$851. If earnings or adjusted gross income exceeded \$6,924, the credit was reduced by 10 percent of the excess, so that at income levels over

\$15,431 the credit was completely eliminated. Taxpayers were required to reduce their earned income credit by the amount of their alternative minimum tax.

Taxpayers were eligible to claim the earned income credit if they met all the following conditions:

- (1) they had earned income and both AGI and earned income were less than \$15,432;
- (2) they had a child living with them in the same principal residence in the United States for more than 6 months of 1987;
- (3) they did not exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions, or claim a deduction for certain expenses of living abroad;
- (4) their filing status was married filing a joint return, qualifying widow(er) with dependent child, or head of household.

The earned income credit could result in a refund to the extent it was not used to offset income tax liability. Thus, even if individuals were not otherwise required to file returns, it was to their benefit to do so in order to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion. (See also "Advance Earned Income Credit Payments.")

Employee Business Expenses (line 23, Form 1040)

Beginning with 1987, only reimbursed business expenses that were included in income could be deducted by an employee as an "adjustment" to adjusted gross income. Unreimbursed employee business expenses were allowed only as a "miscellaneous itemized deduction" (Schedule A), limited to the amount that exceeded 2 percent of adjusted gross income. Employee business expenses included the cost of transportation, meals, lodging, and entertainment while away from home in the performance of services as an employee. Also for 1987, only 80 percent of business-related meal and entertainment expenses were deductible.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Estate or Trust Net Income or Loss
(Line 37, Schedule E, Part III)

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed, amounts credited to beneficiaries' accounts from current-year fiduciary income (whether or not actually received), and any other amounts which were properly paid, credited, or required to be distributed for that year. Also included was the beneficiaries' share of any "accumulation distribution" made in the current year by the fiduciary of a "complex trust" for income accumulated in prior tax years.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from estates or trusts) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust. Beginning in 1987, losses from estates or trusts were limited by the new "passive loss" rules (discussed in the Changes in Law section of this report).

For the tables, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount computed on a return-by-return basis.

Estimated Tax Payments
(Line 55, Form 1040)

This figure represented the total of the tax payments made using Form 1040ES. The amount reported also included any amount which was applied to the estimated tax by reason of an overpayment of 1986 tax liability. Individuals were required to make estimated tax payments if their estimated tax for Tax Year 1987 exceeded \$500 and they estimated that the total amount of income tax withheld plus credits would be less than 90 percent of their estimated 1987 tax, or 100 percent of their 1986 tax.

Excess Social Security Taxes Withheld
(Line 58, Form 1040)

If a taxpayer received more than \$43,800 (\$32,700 for railroad employees) from two or

more employers in 1987, too much social security (FICA) or Railroad Retirement Act (RRTA) tax may have been withheld from the wages. Amounts in excess of \$3,131.70 (FICA) or \$4,521.45 (RRTA) could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions #
(Lines 6, 35, Form 1040)

In the computation of taxable income, a \$1,900 deduction was allowed for each exemption claimed. An exemption was allowed for each taxpayer shown on a return except for dependents filing a separate return. On joint returns the husband and wife were each regarded as a taxpayer.

Exemptions were also allowed for qualified dependents. Beginning in 1987, if another taxpayer is entitled to claim a person as a dependent, then that dependent could not claim an exemption when filing a return. This new rule eliminated the double exemption that could be claimed by both a parent and dependent child prior to 1987. In general, an individual qualified as a dependent if that person:

- had gross income less than \$1,900 (this did not apply if the person was a child dependent and was either under 19 years old or a full-time student);
- received more than half of his or her support from the taxpayer
- was either related to the taxpayer (such as a son, daughter, or parent) or a member of the same household for the whole year;
- did not file a joint return with his or her spouse; and
- met certain citizenship requirements.

Farm Net Income or Loss
(Line 18, Form 1040)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities. Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss.

Gains from certain sales of livestock and crops that qualified for capital gains treatment were excluded from farm net profit or loss and included in capital gains. Farm rental income was included in rent net income or loss (see Farm Rental Income or Loss).

Farm Rental Income or Loss
(line 28, Schedule E)

Taxpayers were required to report farm rental income and expenses separately from other farm profit or loss if they:

- received income that was based on crops or livestock produced by the tenant, and
- did not manage or operate the farm to any great extent.

Foreign Earned Income and Foreign Housing Exclusions # (line 21, Form 1040)

Taxpayers could exclude from gross income a certain amount of their foreign earned income and employer-provided foreign housing expenses if their home for tax purposes was in a foreign country and they were either:

- (1) a U.S. citizen and a bona fide resident of a foreign country or countries for an uninterrupted period that included a full tax year, or
- (2) a U.S. citizen or resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months.

For 1987, qualified individuals were limited to the lesser of a \$70,000 exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

The foreign earned income exclusion is shown separately in Statistics of Income for 1987.

Foreign Tax Credit #
(line 44, Form 1040)

Individuals who had paid income or excess profit taxes to a foreign country or U.S. possession or any political subdivision, agency, or instrumentality of the country or possession, could claim this credit against Federal income tax liability. Alternatively, foreign taxes paid could be claimed as an itemized deduction by a taxpayer. The credit included the taxpayer's share of taxes paid through partnerships, regulated investment companies, and fiduciaries. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1987 could be carried back 2 years and then forward 5 years for use in computing the credit for those years. Additional information on foreign tax credits,

foreign earned income, and foreign housing deductions is available for 1983 in the Statistics of Income Bulletin, Summer 1987 issue.

Forfeited Interest Penalty Adjustment
(line 27, Form 1040)

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts or deposits could deduct those penalties as an adjustment to gross income.

General Business Credit #
(line 45, Form 1040)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel credit, and two credits added by the Tax Reform Act of 1986--the low-income housing credit and the research credit. As a result of the 1986 Act, the 10 percent investment credit was repealed for property placed in service after 1985 except for several limited exceptions.

Taxpayers claiming more than one of the business credits were required to summarize them on Form 3800, General Business Credit. The adjusted tax liability limitations for the combined credits were determined on the Form 3800. The general business credit was limited to 100 percent of the first \$25,000 of tax liability and 75 percent of the excess over \$25,000 (\$12,500 for a married couple filing separately).

If the current year general business credit exceeded the tax liability limitation and could not be entirely used for Tax Year 1987, the excess amount could be carried back to the three preceding tax years, then forward 15 years.

Heads of Households, Returns of
(line 4, Form 1040)

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for more than 6 months for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to non-resident aliens.

"Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and actually had to live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children

of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer.

A special tax rate schedule was provided for heads of households which gave lower rates than those for single or married filing separately.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Subject to Tax

See "Modified Taxable Income."

Income Tax After Credits

(line 47 less earned income credit, Form 1040)

To arrive at income tax after credits, taxpayers deducted total personal credits (line 42, Form 1040) from income tax before credits (line 39, Form 1040). If the result was greater than zero, the foreign tax credit, general business credit, and other tax credits were then deducted from the residual to arrive at income tax after credits reported on the tax return. (See also "Total Personal Credits" in this section.)

Income Tax After Personal Credits

(line 43 less earned income credit, Form 1040)

This amount was "income tax before credits." less "total personal credits".

Income Tax Before Credits

(line 39, Form 1040)

This amount consisted of the tax liability computed on current-year "taxable income" using the tax tables or tax rate schedules, Schedule D, or Form 8615 (line 37) plus any additional taxes (line 38). (See also "Tax Generated")

Income Tax Withheld

(line 54, Form 1040)

Income tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration as reported on Form W-2; from pensions and annuities, and certain gambling winnings as reported on Form W-2P and W-2G. Amounts withheld for distributions from profit-sharing, retirement plans, and individual retirement arrangements had withholding reported on Form 1099-R.

In some cases, a backup withholding rate of 20 percent was required for interest,

dividend, and royalty payments, which, generally, were not subject to withholding.

Individual Retirement Arrangement

(line 24a and b, Form 1040)

An Individual Retirement Arrangement (IRA) was a savings program that allowed a taxpayer to set aside money for retirement. An individual could establish an IRA at a bank or other qualified financial institution, or by investing directly in individual annuity contracts issued by an insurance company. Beginning in 1987, the deduction for IRA contributions was reduced or eliminated for taxpayers covered by an employer retirement plan whose adjusted gross income exceeded certain levels (see Changes in the Law section). Nondeductible contributions were still allowed.

Contributions to such a plan were limited to the lesser of:

- (1) an individual's compensation for the year;
- (2) \$2,000 (\$2,250 if a nonworking spousal IRA was included; or
- (3) the amount actually contributed to an IRA.

Such contributions could be deducted from the employee's gross income in arriving at adjusted gross income. Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2. After age 70 1/2 taxpayers were required to begin withdrawals. Penalty taxes were assessed if the taxpayer failed to comply with these limitations.

Individuals could also set up an IRA to include a nonworking spouse who met certain qualifying conditions. The total IRA deduction, including both the taxpayer and nonworking spouse, could not exceed \$2,250. Beginning in 1987, a spousal IRA deduction is reported separately on line 24b, Form 1040, and tabulated in the statistics as "secondary IRA payments."

To be deductible, payments to an IRA for a particular taxable year must be made not later than the due date of the individual's return for that year.

Interest Paid Deduction

(line 13, Schedule A)

Beginning in 1987, interest expenses, except for business or investment, were divided into two categories: personal interest and deductible home mortgage interest, with each subject to new rules. Personal interest included items such as credit card interest,

revolving charge account interest, and interest on bank loans. Only 65 percent of personal interest was deductible for 1987, whereas all of it was deductible for 1986.

For 1987, the mortgage interest deduction was limited to the amounts paid on a qualified principal and second residence, and to the interest associated with debt no greater than the cost of the residence plus improvements and mortgage loans taken to pay for qualified medical and educational expenses.

Generally, beginning in 1987, the investment interest deduction (interest paid on money borrowed that is allocable to property held for investment) was fully deductible up to the amount of net investment income. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics.

Investment Credit (Line 45, Form 1040)

The Tax Reform Act of 1986 repealed the investment credit for most property put in service after December 31, 1985. This meant that a taxpayer could no longer claim investment credit on property such as automobiles, delivery trucks, office equipment, and farm equipment. However, a current year investment credit could still be claimed for certain types of property such as timber or business energy property.

The regular investment credit rate was 10 percent of the "qualified investment" in certain new and used depreciable assets. Since the investment credit was claimed as one of the components of the general business credit, it was subject to the same net tax liability limitation (see General Business Credit).

Itemized Deductions

See "Total Itemized Deductions," and specific types.

Joint Returns of Husbands and Wives (Line 2, Form 1040)

These were returns of married taxpayers electing the joint return filing status. The income of each spouse had to be reported on these returns.

A married couple could not elect to file a joint return if: (1) their tax years began on a different date, or (2) they were separated under a decree of divorce or separate maintenance on the last day of the tax year.

Marginal Tax Rates

Different portions of taxable income are

taxed at different rates. The tax rate applied to the last dollar of income is called the "marginal tax rate" for that return (see Tax Generated).

Marital Filing Status (Lines 1-5, Form 1040)

The five marital filing status classifications were:

- (1) joint returns of husbands and wives;
- (2) separate returns of husbands and wives;
- (3) returns of heads of households;
- (4) returns of surviving spouses; and
- (5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is explained under a separate heading in this section.

Medical and Dental Expense Deduction # (Line 1-4, Schedule A)

In general, for 1987, medical and dental expenses could be claimed as an itemized deduction to the extent that they exceeded 7.5 percent of adjusted gross income. Amounts paid for medicine and drugs were deductible only if they were available only by prescription or were for insulin. Taxpayers could also deduct a maximum of \$50 per day for certain lodging expenses incurred for medical care. Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease. (See also the Changes in Law section of this report.)

Miscellaneous Itemized Deductions # (Lines 20-25, Form 1040)

Beginning with 1987, two tiers of miscellaneous itemized deductions were created. The first tier included those expense items that were fully deductible while expenses in the second tier were limited to the amount that exceeded 2 percent of adjusted gross income. (See also the Changes in Law section of this report.)

Deductible Miscellaneous Deductions --
Fully deductible expenses included such items

as gambling losses (limited to gains), impairment-related work expenses for handicapped people, and amortizable bond premiums.

Limited Miscellaneous Deductions --
Unreimbursed employee business expenses and those expenses of producing income were limited to the amount that exceeded 2 percent of adjusted gross income.

Modified Taxable Income

"Modified taxable income" is the term used to describe "income subject to tax", the actual base on which tax is computed for the statistics in Tables 3.4 and 3.5. For taxpayers filing current year returns, modified taxable income is identical to "taxable income." However, for prior year returns included in the 1987 statistics, a modified taxable income was computed. This was calculated by using the tax rate schedule to impute a hypothetical taxable income amount necessary to yield the given amount of tax reported.

Mortgage Interest Credit (included in line 42, Form 1040)

As a result of the Tax Reform Act of 1984, State and local governments could issue mortgage credit certificates (MCC's) to be used in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence. A qualified MCC entitled a taxpayer to claim a credit against Federal income tax, and the certificate specified the amount of the debt that qualified for the credit and the credit percentage rate (10 percent to 50 percent).

The credit was figured by multiplying the interest paid on the debt during the year by the credit percentage rate. If the credit percentage rate exceeded 20 percent, the maximum allowable credit was \$2,000 a year. Taxpayers had to reduce their Schedule A itemized deduction for interest expense by the amount of the credit.

Moving Expense Deduction # (line 19, Schedule A)

For 1987, an employee (with the exception of members of the armed services) who had to move to a new residence as a result of changing jobs could claim certain reasonable expenses for moving and house hunting as an itemized deduction. For 1986 moving expenses were an adjustment to income. For employees to qualify for this deduction, the new job location had to be at least 35 miles farther

from the former residence than the old job was. Retirees could deduct moving expenses for a move to a new home in the United States when they permanently retired if both their former main job location and home were outside the United States. In addition, the employee had to work full time for at least 39 weeks of the 12 months after the move. Self-employed individuals had to work full time for at least 78 weeks during the first 24 months to be eligible for this deduction.

Deductible expenses included those incurred from moving household goods and personal effects; and travel, meals, and lodging of the taxpayer and household members en route to the new residence. There were no dollar limitations for these expenses. Other allowable expenses, subject to a \$3,000 limitation, included house-hunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of a residence and purchase of a new residence.

Nontaxable Returns

See "Taxable and Nontaxable Returns."

Other Income (line 21, Form 1040)

Included here were such items as prizes, awards, sweepstakes winnings, gambling winnings, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, repayment of real estate taxes deducted in an earlier tax year if they reduced tax, free tours received from travel agencies, Veterans Administration rehabilitative program payments, payments by a union to unemployed members, certain life insurance payments and any other income subject to tax for which there was no specific line provided on the return form. Any "net operating loss" in an earlier year carried forward and deducted for 1987 was entered as a negative amount.

Other Tax Credits # (included in line 46, Form 1040)

"Other tax credits" is a residual category in the statistics and does not relate to a line item on a tax form. It included the "credit for fuel from a nonconventional source" and any other statutory credits which were used to offset income tax before credits and which could not be identified as one of the following:

- child care credit,
- foreign tax credit,

- residential energy credit (carryforward from prior years),
- general business credit,
- elderly and permanently and totally disabled credit (credit for the elderly), and
- mortgage interest credit.

Overpayment (Line 62, Form 1040)

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," including the amount of any "refundable portion of the earned income credit." Overpayments could be refunded; or, at the taxpayer's election, credited toward 1988 on the estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See Credit on 1988 Estimated Tax; also see Refund.)

Overpayment of Windfall Profit Tax (included in line 61)

A "windfall profit" excise tax was imposed on producers of crude oil, but the tax was withheld and reported by the first purchaser of such oil. If too much tax was withheld in the course of the year, the producer could claim a refund on his or her income tax return.

The excess payment was entered in the margin of the tax payments section of the Form 1040.

Partnership and S Corporation Net Income or Loss # (Lines 31, 32, Schedule E)

Since partnerships and S corporations (formerly Subchapter S corporations) are not taxable entities, their net profit or loss was taxed, in general, directly to the members of the partnership or shareholders in the S corporation. The profit or loss shown in the statistics was the taxpayer's share of the ordinary gain or loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. Net long-term capital gain retained its character in the hands of the partners or stockholders and was included in the statistics for net gain or loss from sales of capital assets.

If a return showed net income from one partnership or S corporation and a net loss from another, the two were added together and the return was tabulated by the net amount of income or loss in the appropriate column. Beginning in 1987, net income and net loss were reported separately for passive and non-passive partnership and S corporation activities. Passive losses were limited under the new rules to the amount that could be offset by passive income.

Additional information on partnerships for 1987 can be found in the Statistics of Income Bulletin, Publication 1136, Winter, 1988-89.

Payment with Request for Extension of Filing Time (Line 57, Form 1040)

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension gained the taxpayer an additional period of time to file Form 1040 or 1040A, but it did not extend the time for payment of expected tax. Full payment of any tax due had to be made with the application for extension. When taxpayers filed their Form 1040 or 1040A, they entered the amount paid with Form 4868 or Form 2688 to determine any tax still due or any overpayment of tax.

Payments to a Keogh Plan (Line 26, Form 1040)

Self-employed individuals were allowed to contribute to a Keogh retirement plan or a "simplified employment pension" (SEP) plan and to deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on net earnings from self-employment. Generally, the maximum amount of the annual deduction was the lesser of \$30,000 or 15 percent of the participant's compensation from the trade or business.

Penalty Tax on Individual Retirement Arrangements (Line 52, Form 1040)

If taxpayers withdrew any funds from an Individual Retirement Arrangement before they were either age 59-1/2 or disabled, they were subject to a penalty tax equal to 10 percent of the premature distribution. Any taxpayer who failed to withdraw the minimum required distribution after reaching age 70-1/2 had to pay a 50-percent excise tax on the excess accumulation. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of \$2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to 6 percent of the excess contribution. (See also "Individual Retirement Arrangement.")

Pensions and Annuities (Lines 16a, 16b, Form 1040)

Generally, pensions represented periodic income received after retirement for past

services with an employer, while annuities were income payable at stated intervals after payment of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on lines 16a and b. For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution.

The "three-year rule" which permitted an employee to exclude all qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan (if the amount contributed was recovered within three year years), was no longer available after July 1, 1986. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

The entire amount of pensions received for the year was reported on line 16a, "Pensions, IRA distributions, annuities, and rollovers," of the Form 1040, with the taxable portion being computed on a separate worksheet and entered on line 16b, "Taxable amount."

Predetermined Estimated Tax Penalty (included in line 65, Form 1040)

If a return showed taxes of \$500 or more owed on line 65 (tax due at time of filing) and this amount was more than 10 percent of the total tax, taxpayers could owe a penalty. Also, taxpayers could owe a penalty if they underpaid their 1987 estimated tax liability for any payment period. Form 2210 was used to determine the amount of a penalty, if any.

Refund (line 63, Form 1040)

A refund of tax included all overpayments of income taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also Overpayment.)

Regular Tax Computation

Typically, the taxpayer, in determining the amount of "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied the rates from one of four tax rate schedules to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Rent Net Income or Loss # (line 23, column A, Schedule E)

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rent, amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. Beginning with 1987, new "passive loss" rules limited the losses that could be claimed for rental activities. In the statistics, total rental net loss includes passive losses that were not deductible in figuring AGI. (Passive losses are discussed under Changes in Law.)

Royalty Net Income or Loss (line 23, Column, Schedule E)

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231, and, as a result of the separate computation required by that section, are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

S Corporations See Partnerships and S Corporations Net Profit or Loss.

Salaries and Wages (line 7, Form 1040)

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- commissions,
- bonuses,
- tips,
- fees,
- excess reimbursement over employee business expenses,
- moving expense allowances,
- employer's payments to a nonqualified pension plan,
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his employer,
- severance pay,
- sick pay,
- the employee's portion of social security tax,
- exercising a stock appreciation right,
- vacation allowances,
- payments received as the result of winning some legal suits,
- most disability payments,
- certain group-term life insurance premiums paid by an employer,
- strike and lockout benefits,
- certain meals or lodging, and
- the value of non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

Sales of Capital Assets Net Gain or Loss # (line 14, Form 1040)

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. However, assets used in the normal course of business activities, such as inventory held for sale during the ordinary conduct of business, and depreciable or real property held for sale or used in a trade or business, were specifically excluded from treatment as capital assets (see Sales of Property Other Than Capital Assets, Net Gain or Loss). This rule did not apply to the net gains from the disposition of certain types of property used in business which were treated as capital gains under Code Section 1231.

The following concepts were used in the computation of net capital gain or loss for this report:

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For

1987, the full amount of this gain, whether short- or long-term (short-term meant assets were held 6 months or less and long-term was over 6 months), was included in adjusted gross income.

Net capital gain also included capital gain distributions which were not reported on Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B). These capital gain distributions were entered directly on page 1 of Form 1040 if the taxpayer did not have any other gains or losses to report on Schedule D. These distributions were always considered to be long-term capital gains and for 1987, they were included in the net capital gain statistics.

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer showed a net capital loss. The amount of net capital loss to be included in adjusted gross income was limited to the smaller of the actual net capital loss or \$3,000 (\$1,500 for married persons filing separately). Any excess capital losses over the \$3,000 limit could be carried over to subsequent tax years.

Sales of Property Other Than Capital Assets, Net Gain or Loss (line 15, Form 1040)

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

- (1) certain depreciable, depletable, and real business property;
- (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
- (3) certain copyrights; literary, musical, or artistic compositions; or similar properties;
- (4) any share of gain or loss that otherwise qualified under this heading and was received through partnerships, S corporations or fiduciaries; and
- (5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets

could be treated as capital gains under certain conditions. Conversely, under other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions.

Self-Employed Health Insurance # (line 25, Form 1040)

For 1987, self-employed individuals could deduct as an adjustment to income up to 25 percent of the amount paid for medical insurance for themselves and their family. The balance of the cost was included with other medical care expenses as an itemized deduction subject to the 7.5 percent deduction threshold based on AGI. However, self-employed persons were not allowed this deduction if they or their spouses were employees and eligible to participate in an employer-subsidized health plan.

Self-Employment Tax (line 48, Form 1040)

This tax, levied under the Social Security system, was reported by most individuals who had self-employment earnings of at least \$400 derived from a sole proprietorship or from any share of partnership profits. Some types of income (such as dividends, interest, and capital gains and losses) and certain deductions (such as net operating losses, and casualty and theft losses) were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1987 was \$43,800, reduced by any wages covered by social security. The self-employment tax rate for 1987 was 14.3 percent, but the actual amount paid was 12.3 percent because a credit of 2 percent was applied against the amount of self-employment tax. The rate for 1986 was also 12.3 percent, but the maximum amount subject to tax was \$42,000.

Separate Returns of Husbands and Wives (line 3, Form 1040)

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification.

If only one spouse filed a separate return, the other spouse's exemption could be claimed

on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

Single Persons, Returns of (line 1, Form 1040)

These were returns of (a) unmarried persons who did not qualify as a head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild (who could be claimed as a dependent) for more than 6 but less than 12 months of the year.

Size of Adjusted Gross Income (line 30, Form 1040)

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or breakeven returns in a table were included in the lowest income size class.

Social Security Benefits (lines 20a, 20b, Form 1040)

Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a "tier 1 railroad retirement benefit" that was equivalent to a social security benefit. Social security benefits are not taxable unless the taxpayer's other income exceeds certain levels. The maximum amount taxed was one half of the net social security benefits received. Social security benefits received were reported on Form 1040, line 20a with only the taxable portion reported on 20b. However, some taxpayers who had no taxable benefits may not have shown the total benefit on their income tax returns.

Social Security Taxes on Tip Income (line 51, Form 1040)

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to \$20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax and social security tax (this

included the equivalent railroad retirement tax). Cash tips counted toward social security benefits, and an employee was required to report these tips to the employer who would then withhold the social security tax. However, if the employer was unable to withhold the amount of social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

Standard Deduction # (line 33b, Form 1040)

Basic - Beginning with tax year 1987, the zero bracket amount was replaced by the standard deduction. The basic standard deduction amounts that could be claimed by taxpayers were determined by filing status and age or blindness. Those taxpayers who were 65 years of age or over or blind were allowed a higher basic standard deduction in each filing status than other taxpayers, as shown below.

Additional - Taxpayers who were age 65 or over or blind were not only allowed a higher basic standard deduction but could also claim an additional standard deduction amount of \$750, if single, and \$600, if married, for each person 65 years of age or older or blind. The basic standard deduction and the additional standard deduction as it applies to taxpayers, depended on age and blindness.

Single

- Under 65, basic deduction was \$2,540
- 65 or over or blind, basic deduction was \$3,000 plus \$750 for each additional deduction

Married filing jointly or qualifying widow(er)

- Under 65, basic deduction was \$3,760
- 65 or over or blind, basic deduction was \$5,000 plus \$600 for each additional deduction

Married, filing separately

- Under 65, basic deduction was \$1,880
- 65 or over or blind, basic deduction was \$2,500 plus \$600 for each additional deduction

Head of Household

- Under 65, basic deduction was \$2,540
- 65 or over or blind, basic deduction was \$4,400 plus \$750 for each additional deduction

In the statistics, the basic standard

deduction was tabulated for all taxpayers who claimed it, including those who were 65 or older or blind. The "additional standard deduction" total included only the additional amount that was taken by those taxpayers who were 65 or older or blind.

State Income Tax Refunds (line 11, Form 1040)

These amounts represented that part of a refund of State income tax attributable to itemized deductions taken in a prior year that resulted in a Federal tax benefit.

Statutory Adjustments # (lines 23-29, Form 1040)

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. For 1987, statutory adjustments included reimbursed employee business expenses, payments to a self-employed Keogh retirement plan or a "simplified employee pension" (SEP), forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the self-employed health insurance deduction, and the foreign housing deduction. Each of the above is described in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974.

Surviving Spouses, Returns of (line 5, Form 1040)

These returns were filed by widows or widowers whose spouse had died during either of the two preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to claim an exemption.

Taxpayers who were surviving spouses could use the joint return tax rates for the two taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

Tax Due at Time of Filing (line 65, Form 1040)

"Tax due" was reported on returns on which "total tax liability" exceeded "total tax-payments."

Tax From Recomputing Prior-Year Investment Credit (line 50, Form 1040)

The investment tax credit provisions of the

law included a recapture rule which required taxpayers to pay back all or a portion of any investment credit previously taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

Tax Generated # (Line 37, Form 1040)

This amount was the tax computed on modified taxable income (see "Modified Taxable Income"). For 1987, there were five tax rates, 11, 15, 28, 35, and 38.5 percent. The amount of income subject to the different tax rates depended on filing status, with two exceptions. First, if a taxpayer had a long-term capital gain (in excess of short-term capital loss), the maximum tax rate on it was 28 percent. Those capital gains that were taxed at this rate were tabulated as such in Tables 3.4 and 3.5. Second, the amount of investment income of children under age 14 that exceeded \$1,000 and was taxed at the parents' rate on Form 8615 was tabulated separately in Tables 3.4 and 3.5.

On most returns, except those with additional taxes from special computations, "tax generated" equaled "income tax before credits."

Tax Rates See "Tax Generated."

Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the alternative minimum tax). Some returns classified as "nontaxable" may have had a liability for self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security tax on tips. However, these taxes were disregarded for purposes of this classification, since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned

income payments, were either based on prior year's income or were penalty taxes.

For this report, the earned income credit was treated as an amount which, first, was used to offset income tax before credits. Since the earned income credit was refundable, it was subtracted from income tax (for the statistics) after reduction by all other statutory credits. As a result, some returns became nontaxable strictly because of the earned income credit if there was no alternative minimum tax and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed and does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income (Line 36, Form 1040)

Taxable income was derived by subtracting from adjusted gross income any exemption amount and either total itemized deductions or the standard deduction. On current year returns, in contrast to prior year returns received during the current year filing period, taxable income is identical to "modified taxable income."

Taxable Interest Received (Line 9, Form 1040)

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, U.S. savings bonds, and money-market funds. Also included as interest were "dividends" on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Most interest on State or local government obligations remained tax-exempt, but the total tax-exempt interest had to be reported on line 9 of Form 1040 beginning with 1987. It was not included in the taxpayer's income (see Tax-Exempt Interest). If interest on accounts frozen by insolvent financial institutions was not received during the tax year, it was excluded from income.

Taxes Paid Deduction (Line 8, Schedule A)

Taxes allowed as a deduction from adjusted gross income included personal property taxes, State and local income taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real

estate taxes except those levied for improvements that tended to increase the value of the property. Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were also included. Federal taxes and State and local sales taxes were not deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, royalty, and farm income and are excluded from the "taxes paid" statistics in this report.

Tax-Exempt Interest # (line 9, Form 1040)

Beginning with 1987, the amount of any tax-exempt interest received or accrued during the tax year had to be shown on the tax return. Tax-exempt interest includes interest on certain State and municipal bonds, as well as any tax-exempt interest dividends from a mutual fund or other regulated investment company. This is an information reporting requirement and does not convert tax-exempt interest to taxable interest.

Taxpayments (lines 54, 55, 57-61, Form 1040)

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld, including backup withholding,
- (2) excess social security taxes or railroad retirement tax withheld,
- (3) credit for tax on certain gasoline, fuel, and oil,
- (4) estimated tax payments,
- (5) payment with request for extension of filing time,
- (6) credit from regulated investment companies,
- (7) overpayment of windfall profit tax, and
- (8) all other taxpayments.

Each of the above is described under a separate heading in this section.

While the earned income credit was included with taxpayments on the tax return itself, for the statistics it is treated partly as a credit against income tax liability and partly

as a refundable amount (see also Earned Income Credit).

Total Income Tax (lines 47 and 49, Form 1040)

Total income tax was the sum of income tax after credits and the alternative minimum tax. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

Total Itemized Deductions # (line 33a, Form 1040)

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, moving expenses, and miscellaneous deductions.

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the standard deduction amount. Those individuals were married persons filing a separate return when the taxpayer's spouse elected to itemize, dual status aliens, taxpayers filing a return with a short tax year, and persons excluding income received from sources in U.S. possessions.

The total amount of itemized deductions was tabulated only from returns showing positive adjusted gross income. (See Changes in Law section.)

Total Personal Credits # (lines 40-42, 56, Form 1040)

For this report, total personal credits consisted of the following:

- (1) child care credit;
- (2) credit for the elderly and permanently and totally disabled;
- (3) residential energy credit (prior year);
- (4) mortgage interest credit; and
- (5) earned income credit used to offset income tax before credits.

This amount was deducted from income tax before credits to arrive at income tax after personal credits. The portion of the earned income credit which did not result in a negative amount was tabulated in this report as "earned income credit used to offset income tax before credits." (See also "Income Tax After Personal Credits.") All personal credits were limited to the amount needed to offset "income tax before credits." Each of

the above credits is described under a separate heading in this section.

Total Tax Credits
(line 42 plus line 46, Form 1040)

This item represents the sum of "Total Personal Credits", the "Foreign Tax Credit", the "General Business Credit", and "Other Tax Credits". All tax credits were limited to the amount needed to offset "income tax before credits."

Total Tax Liability
(line 53 modified by the earned income credit, Form 1040)

Total tax liability was the sum of income tax after credits, alternative minimum tax, self-employment or railroad retirement taxes, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, uncollected employee social security and railroad retirement tax on tips, and tax on golden parachute payments. These taxes were then reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit"). For purposes of this report, total tax liability

did not include any advance earned income credit payments.

Type of Tax Computation #
(line 37, Form 1040)

Tabulations in Table 3.1 include two methods of computing the tax on income subject to tax. These methods were:

- (1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ (see "Regular Tax Computation"); and
- (2) capital gains alternative tax, computed on Schedule D; and

A third method was the tax on investment income of children under 14 computed on Form 8615. Returns using this method were not included in Table 3.1.

Unemployment Compensation #
(line 19, Form 1040)

Beginning in 1987, all unemployment compensation had to be included in income. In prior years, generally only a portion (if any) of the benefits were includible.

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1040 U.S. Individual Income Tax Return 1987		OMB No. 1545-0074	
Label Use IRS label or prepare print or type		19 1987 ending Last name Your social security number	
Present name (number and street or rural route) (If you have a P.O. Box, see page 6 of instructions.) City, town or post office, state, and ZIP code		Spouse's social security number For Primary Act and Payment Re- duction Act Notice, see Instructions	
Do you want \$1 to go to this fund? If joint return, does your spouse want \$1 to go to this fund?		Yes <input type="checkbox"/> No <input type="checkbox"/>	
Presidential Election Campaign Check only one box		Yes <input type="checkbox"/> No <input type="checkbox"/>	
Filing Status 1 Single 2 Married filing joint return (even if only one had income) 3 Married filing separate return. Enter spouse's social security no. above and full name here. 4 Head of household (with qualifying person). (See page 7 of instructions.) If the qualifying person is your child but not your dependent, enter child's name here. 5 Qualifying widow(er) with dependent child (year spouse died > 19). (See page 7 of instructions.)		Caution If you can be claimed as a dependent on another person's return, do not check box 6b. But do not check box on line 32b or page 2.	
Exemptions (See Instructions on page 7.) 6a <input type="checkbox"/> Yourself <input type="checkbox"/> Spouse 6b <input type="checkbox"/> Dependents (1) Name (first, middle, and last name) (2) Check box if dependent is: (3) If age 18 or over, dependent's social security number (4) Relationship (5) No amount received from you in 1987 If more than 7 dependents, see instructions on page 7.		7 Wages, salaries, tips, etc. (attach Form(s) W-2) 8 Taxable interest income (also attach Schedule B if over \$400) 9 Tax-exempt interest income (see page 10; DON'T include on line 8) 10 Dividend income (also attach Schedule B if over \$400) 11 Taxable refund of state and local income taxes (if any from worksheet on page 11 of instructions) 12 Annuity received 13 Business income or (loss) (attach Schedule C) 14 Capital gain or (loss) (attach Schedule D) 15 Other gains or (losses) (attach Form 4797) 16a Pensions, IRA distributions, annuities, and rollovers. Total received 16b Taxable amount (see page 11) 17 Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) 18 Farm income or (loss) (attach Schedule F) 19 Unemployment compensation (see page 11) 20a Social security benefits (see page 12) 21 Taxable amount (if any from the worksheet on page 12) 22 Other income (list type and amount—see page 12) 23 Add the amounts shown in the far-right column for lines 7, 8, and 10-21. This is your total income.	
Adjustments to Income 24a Your IRA deduction. From applicable worksheet on page 13 or 14. 24b Spouse's IRA deduction. From applicable worksheet on page 13 or 14. 25 Self-employed health insurance deduction. From worksheet on page 14. 26 Keogh retirement plan and self-employed SEP deduction. 27 Penalty on early withdrawal of savings. 28 Alimony paid (recipient's last name and social security no.) 29 Add lines 23 through 28. These are your total adjustments.		30 Subtract line 29 from line 22. This is your adjusted gross income. If this line is less than line 25, and a line 25 was filed, see instructions on page 18 of the instructions. If you want IRS to adjust your tax, see page 15 of the instructions.	

Form 1040 (1987)		Page 2	
31 Amount from line 30 (adjusted gross income)		31	
32a Check if <input type="checkbox"/> You were 65 or over <input type="checkbox"/> Blind <input type="checkbox"/> Spouse was 65 or over <input type="checkbox"/> Blind <input type="checkbox"/> 32b <input type="checkbox"/>		32b	
32c If you are married filing a separate return and your spouse itemizes deductions, or you are a dual status alien, see page 15 and check here <input type="checkbox"/> 32c <input type="checkbox"/>		32c	
33a Itemized deductions. See page 15 to see if you should itemize. If you don't itemize, enter zero. If you do itemize, attach Schedule A. Enter the amount from Schedule A, line 26, AND skip line 33b.		33a	
33b Standard deduction. Read Caution to left. It applies, see page 16 for the amount to enter. If Caution doesn't apply, enter the amount from line 31. Enter the result here.		33b	
34 Subtract line 33a or 33b, whichever applies, from line 31. Enter the result here.		34	
35 Multiple \$1,900 by the total number of exemptions claimed on line 6c or see chart on page 16.		35	
36 Taxable income. Subtract line 35 from line 34. Enter the result (but not less than zero).		36	
Caution If under age 14 and you have more than \$1,000 of investment income, check here <input type="checkbox"/> and see page 16 to see if you have to use Form 8615 to figure your tax.		37 Enter tax. Check if from <input type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Schedules <input type="checkbox"/> Schedule D or <input type="checkbox"/> Form 8615	
38 Additional taxes (see page 16). Check if from <input type="checkbox"/> Form 4970 or <input type="checkbox"/> Form 4972		38	
39 Add lines 37 and 38. Enter the total.		39	
40 Credit for child and dependent care expenses (attach Form 2441)		40	
41 Credit for the elderly or for the permanently and totally disabled (attach Schedule E)		41	
42 Add lines 40 and 41. Enter the total.		42	
43 Subtract line 42 from line 39. Enter the result (but not less than zero).		43	
44 Foreign tax credit (attach Form 1116)		44	
45 General business credit. Check if from <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6418 <input type="checkbox"/> Form 6765 or <input type="checkbox"/> Form 8586		45	
46 Add lines 44 and 45. Enter the total.		46	
47 Subtract line 46 from line 43. Enter the result (but not less than zero).		47	
48 Self-employment tax (attach Schedule SE)		48	
49 Alternative minimum tax (attach Form 6251)		49	
50 Tax from recapture of investment credit (attach Form 4255)		50	
51 Social security tax on tip income not reported to employer (attach Form 4137)		51	
52 Tax on IRA or a qualified retirement plan (attach Form 5329)		52	
53 Add lines 47 through 52. This is your total tax.		53	
54 Federal income tax withheld (including tax shown on Form(s) 1099)		54	
55 1987 estimated tax payments and amount applied from 1986 return		55	
56 Earned income credit (see page 18)		56	
57 Amount paid with Form 4868 (extension request)		57	
58 Excess social security tax and RRTA tax withheld (see page 19)		58	
59 Credit for Federal tax on gasoline and special fuels (attach Form 4136)		59	
60 Regulated investment company credit (attach Form 2439)		60	
61 Add lines 54 through 60. These are your total payments.		61	
62 If line 61 is larger than line 53, enter amount OVERPAID.		62	
63 Amount of line 62 to be REFUNDED TO YOU.		63	
64 Amount of line 62 to be applied to your 1988 estimated tax.		64	
65 If line 53 is larger than line 61, enter AMOUNT YOU OWE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and 1987 Form 1040 on it.		65	
Check <input type="checkbox"/> If Form 2210 (2210) is attached, see page 20. Penalty \$			
Please Sign Here Your signature Date Your occupation Spouse's signature (if joint return BOTH must sign) Date Spouse's occupation Check if self-employed <input type="checkbox"/> E.I. No <input type="checkbox"/> E.I. Yes <input type="checkbox"/> ZIP code			
Paid Preparer's Use Only Preparer's signature Date Preparer's title Preparer's address			



Department of the Treasury
Internal Revenue Service

1987 Instructions Form 1040

and instructions for Schedules A, B, C, D, E, F, and SE

(Tax Table—pages 41-46)

(Telephone Numbers
for Recorded Tax

Information—page 50)

(Information on How To

Order Forms—page 52)

Note: This booklet does not
contain any tax forms.

From the Commissioner

Dear Taxpayer

This year for the first time the Tax Reform Act of 1986 will have a major impact on the preparation of your tax return. This has important consequences for you and for us.

Changes made by the new Act are summarized on the next page. You can learn more about the ones that affect you by getting one of the publications listed near the end of this booklet. Learning about the changes now will make it easier for you to prepare your return when you start working on it.

We encourage you to start preparing your return early. That way, if you need more information, you'll have the time to get it.

We are working hard to be ready to handle your return properly and to improve the quality of our service to you. You can help us in this effort by checking your return carefully before you file it and by using the preprinted name and address label if you received one.

I would like to hear your ideas for improving our forms and instructions. If you would like to make some suggestions, please write to me at the Internal Revenue Service, Mail Stop 1040, 1111 Constitution Avenue, N.W., Washington, DC 20224.

Lawrence B. Gibbs

Lawrence B. Gibbs
Commissioner of Internal Revenue

Important Tax Law Changes

These changes are a result of the Tax Reform Act of 1986. They apply to tax years beginning after 1986, unless otherwise noted.

Reduced Tax Rates. Most of the rates have been reduced and the rate structure has been simplified. For 1987 there are only five tax rates ranging from 11% to 38%.

Increased Exemption Amount. For 1987 the deduction allowed for each exemption is \$1,500 (up from \$1,000).

Increased Standard Deduction. The standard deduction (or the zero bracket amount) has increased for most individuals. See the instructions for line 33b on page 16 for details.

Age 65 or Over or Blind? The additional personal exemption for individuals who are age 65 or over or blind is no longer allowed. However, you can still claim a deduction for your own or your spouse's or dependent's age 65 or over or blind. See Schedule A (Form 1040), your standard deduction is generally more than that allowed to other nonexempters. See instructions for line 6c on page 7.

Standard Deduction for Persons Age 65 or Over or Blind on page 16 for details.

Social Security Numbers of Dependents. You must show that each dependent as a security number on your return. If your dependent does not have a number, see the instructions for line 6c on page 7.

New Rules for Children and Other Dependents. If you can be claimed as a dependent on another person's return, you must show that person's social security number on your return. The following rules apply:

- You may have to file a return for 1987 if your gross income is more than \$500. (See instructions for line 6a on page 4 for details.)
- You cannot take an exemption for yourself.

Children and Other Dependents on page 4 for details.)

Other Dependent on page 4 for details.)

Standard Deduction for Children and Other Dependents on page 4 for details.)

Repealed Tax Benefits. The following benefits are no longer allowed:

- Dividend exclusion
- Capital gain deduction of 60% for long-term capital gains
- Partial exclusion of unemployment compensation
- Deduction for a married couple when both work (Schedule W (Form 1040))

- State and local sales tax deduction
- Charitable contribution deduction for nonitemizers

Income averaging method to figure your tax (Schedule G (Form 1040)).

Partial credit for political contributions (Schedule G (Form 1040)).

Maximum Tax on Capital Gains—28%. If you have a net capital gain, your tax may be less if you can use the Alternative Tax Computation on Schedule D (Form 1040) to figure your tax. See Part IV of Schedule D to see if you qualify.

Filing Requirements. Generally, the amount of income you can have before you are required to file a return has increased. See Who Must File on page 4 for the new income levels.

Tax on Investment Income of Children Under Age 14. For 1987 children under age 14 who have more than \$1,000 of investment income (such as taxable interest or dividends) will generally pay tax on such income. See instructions for line 49 on page 17 for details.

Alimony and Entertainment Expenses. Generally, only 80% of your qualified meal and entertainment expenses may be deducted. Meals do not qualify unless certain requirements are met. The rules regarding travel as education, luxury water travel, convention expenses, and entertainment have been changed. Get Publication 463 for details.

Employee Business Expenses. Generally, your unreimbursed business expenses are allowed only as a miscellaneous itemized deduction on Schedule A (Form 1040) and are subject to the 2% floor. See instructions for line 27 for details.

Individual Retirement Arrangements (IRAs). Generally, if you were not covered by your employer's retirement plan, you may still deduct up to \$2,000 of your IRA contributions but not more than your earned income. See instructions for line 28 for details.

Moving Expenses. Moving expenses are allowed only as an itemized deduction on Schedule A (Form 1040).

Medical and Dental Expenses. You may deduct medical and dental expenses that are more than 7.5% of your adjusted gross income.

Self-Employed Health Insurance Costs. If you were self-employed, you may be able to deduct as an adjustment to income up to 15% of the cost of health insurance for yourself, your spouse, and dependents. See the instructions for line 25 on page 14 for details.

Tax-Exempt Interest Income. If you are required to file a return, any tax-exempt interest income you received or exempt interest dividends you received from a company must be listed on your return. See the instructions for line 9 on page 10 for details.

Interest Expense.

- Home mortgage interest on your residence is generally fully deductible. However, interest on a mortgage taken out after August 16, 1986, may not be fully deductible. See instructions for lines 9a and 9b on page 22 for details.
- For 1987 only 65% of personal interest (such as interest on car loans and credit card balances for personal expenses) is deductible.
- Investment interest (such as interest on a loan used to buy stock) is generally deductible to the extent it does not exceed your net investment income. See the instructions for lines 9a through 13 on page 22.

Allocation of Interest Expense. Whether your interest expense is subject to the new limits that apply to personal and investment interest depends on how and when the loan proceeds were used. Special rules apply in the case of a loan that is used to purchase or improve real property that is held in a personal account (such as a checking account). For more details, get Publication 545, Interest Expense.

Other Changes. The rules regarding the following items have also changed:

- Depreciation and section 179 deduction (get Publication 534, Depreciation)
- Office in the home (get Publication 587, Business Use of Your Home)
- Tax treatment of scholarships and fellowships (get Publication 920, Scholarships and Fellowships)

Additional Information. If you want more information about these and other tax law changes, get Publication 553, Highlights of 1987 Tax Changes, or Publication 920, Explanation of the Tax Reform Act of 1986. For individuals, you may also find the booklet helpful in completing your return.

Important Reminders

Tax Shelter Registration Number. A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach this number to Form 8271, *Statement of Tax Shelter Registration Number*, and report this number. Penalties are provided if you fail to report this number on your tax return.

Employment Taxes for Household Employers. If you have a household employee, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also be liable for your employee's unemployment taxes. For more details, get Publication 503, *Child and Dependent Care Credit*, and *Employment Taxes for Household Employers*.

Voluntary Contributions To Reduce the Public Debt. If you wish to make a contribution to reduce the public debt,

enclose a separate check with your income tax return and make it payable to "Bureau of the Public Debt." You may be able to deduct this contribution on your 1988 tax return if you itemize your deductions. Please do not add it to any tax you owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Free Tax Help. IRS offers help in most areas to older, handicapped, and non-English speaking individuals in preparing their tax returns. Workshops explaining the tax aspects of owning your own business are also offered. For details, see **Free Tax Help** on page 21.

Assembling Your Return. Attach all schedules and forms in order of the "Attachment Sequence No.," that is shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No.," for **Schedule A** (Form 1040) is 07. Attach forms without an attachment sequence number and any additional information sheets at the end of your return. See **Step 6** on page 6 for more details.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must tell you our legal right to ask for the information, what major purposes we have in asking for it, and how it will be used. What could happen if we do not tell you this information? You would be voluntarily required to obtain a benefit, or mandatory under the law.

For the Internal Revenue Service, this Notice applies to tax returns and any papers filed with them and any questions we need to ask you so we can complete, correct, or process your return. Figure your tax, and correct tax interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001,

6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these laws. We may use the information you give us to:

- Verify the accuracy of the information you give us.
- Carry out the Internal Revenue Code and the regulations that apply to it.
- Collect the right amount of tax.
- We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide false information, the law provides that you may be fined, imprisoned, or in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax you owe larger. Any refund interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

How To Use This Instruction Booklet

The instructions are divided into five main sections.

- **Section 1** (see page 4) contains information on who must file, how to choose the correct form to use, and when to file a return.
- **Section 2** (see page 6) contains steps to help you prepare your return.
- **Section 3** (see page 6) contains line by line instructions for most of the lines on the return.
- **Section 4** (see page 20) contains general information.

- **Section 5** (see page 21) contains instructions for most of the lines on many of the schedules that may be attached to Form 1040.
- If you follow the steps in Section 2 and the line by line instructions in Section 3, we feel you can fill in your return quickly and accurately. You may also find some of the information and **Tele-Tax Information** listed in the instructions helpful.

Section 1—Filing Information. Use the following charts to see if you must file a tax return. Caution: Also please use it if you moved during the year, see **Where To File** on page 5. Envelopes with insufficient postage will be returned by the post office.

Who Must File (Caution: If you can be claimed as a dependent on another person's return, see **Children Who Must File.)**

You must file a tax return if— your marital status at the end of 1987 was:	And your filing status is:	and at the end of 1987 you were:	and your gross income* was at least:
Single	Single	under 65 65 or over	\$4,440 \$4,900 \$5,650
Single (including divorced and legally separated)	Head of household	under 65 under 65 and blind 65 or over	\$4,440 \$6,300 \$7,050
Married with a dependent child (or a child whom you cannot claim as a dependent because of the rules on page 8 for Children of Divorced or Separated Parents) and living apart from your spouse during the last 6 months of 1987	Head of household	under 65 65 or over	\$4,440 \$6,300 \$7,050
Married and living with your spouse at end of 1987 (or on the date your spouse died)	Married, joint return	under 65 (both spouses) under 65 (both spouses) and blind (one or both spouses) 65 or over (one or both spouses) 65 or over (both spouses)	\$7,560 \$7,560 \$9,400 \$10,000
Married, not living with your spouse at end of 1987 (or on the date your spouse died)	Married, separate return	any age	\$1,900
Married, not living with your spouse at end of 1987 (or on the date your spouse died)	Married, joint return or separate return	any age	\$1,900
Single	Single	under 65 under 65 and blind 65 or over	\$4,440 \$4,900 \$5,650
Head of household	Head of household	under 65 under 65 and blind 65 or over	\$4,440 \$6,300 \$7,050
Qualifying widow(er) with dependent child	Qualifying widow(er) with dependent child	under 65 under 65 and blind 65 or over	\$5,660 \$6,900 \$7,500

*Gross income usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable benefits (such as tax-exempt interest). See page 9 for the instructions to find out which types of income you should include.

Children and Other Dependents (Caution: If you were 65 or over, blind, or married, see below.)

If you were Single and can be claimed as a dependent on another person's return (such as your parents' return) and—
you had taxable interest, dividends, or other unearned income of:

\$1 or more	more than \$500	NO
\$0	\$2,540 or less	YES

Example: Your parents are entitled to claim you as a dependent on their 1987 return. You have \$700 of taxable interest and \$70 of dividend income on your savings account. You must file a return for 1987 because you had at least \$1 of unearned income (your interest income) and the total of your income (\$770) was more than \$500.

65 or Over, Blind, or Married. You must file a return if you can be claimed as a dependent on another person's return and you were—
Single (65 or over or blind) and your—

a. earned income (such as wages) was more than \$3,750; or	b. unearned income (such as taxable interest and dividends) was more than \$1,250 (\$2,000 if 65 or over and blind), or
--	---

Caution: If your gross income was \$1,900 or more, you generally cannot be claimed as a dependent. However, you can be claimed as a dependent if you are under age 19 at the end of 1987 or a full-time student and your parents meet the other 4 tests explained on page 8.

Separate Returns. You can file separate returns if both you and your spouse have income, or if only one of you had income. If you file a separate return, you each report only your own income, exemptions, deductions, and credits, and you are not eligible for the joint return tax rate. However, if you live in a community property state, special rules apply. For details, see Publication 555.

If you file a separate return, you generally cannot take the credit for child and dependent care expenses and you cannot claim the earned income credit. However, if your spouse, at any time in 1987, you cannot take the credit for the elderly or the permanently and totally disabled, and you may have to include income up to one half of any social security benefits or equivalent amounts in your gross income for 1987. If your spouse's income is less than \$3,000, you cannot take a standard deduction.

If you file a separate return, enter your spouse's full name in the space provided on line 3 and your spouse's social security number in the box provided for that purpose. If you are claiming an exemption for your spouse, check the box on line 6b. If you can claim an exemption for your spouse, please see **For Your Spouse** on this page.

Married Persons Who Live Apart. Some married persons who have a child and who do not live with their spouse may file as head of household and use tax rates that are lower than those for married persons filing a separate return. This also means that if your spouse itemizes deductions, you may also be able to claim the earned income credit. You should check the box on line 4. Head of household. If you meet **ALL 4** of the following tests:

1. You file a separate return from your spouse.
2. You paid more than half the cost to keep up your home in 1987.
3. Your spouse did not live with you at any time during the last 6 months of 1987.
4. For over 6 months of 1987, your home was the principal home of your child or stepchild whom—

- a. you claim as a dependent, **OR**
 - b. you paid more than half the cost of keeping up a separate home for the child, or
- dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents.** (Enter this child's name in the space provided on line 4.)

Head of Household

Tax Tip: The tax rates for a person who can meet the tests for head of household are lower than the rates for single or for married persons filing a separate return. **ONLY IF** on December 31, 1987, you were unmarried (including certain married persons who live apart, as discussed above) or legally separated and meet test 1 or 2 below.

1. You paid more than half the cost of keeping up a home, which was the principal home of the dependent person whom you can claim as a dependent, **OR**
2. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived for more than 6 months of the year (except for temporary absences, such as for vacation or school).

a. Your unmarried child, grandchild, adopted child, or stepchild. This child does not have to be your dependent. However, your foster child must be your dependent.

Note: If this child is not your dependent, you must enter the child's name in the space provided on line 3.

b. Your married child, grandchild, adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules on page 8 for **Children of Divorced or Separated Parents**, you cannot take an exemption for your spouse. If you are separated by a divorce that is not final (interlocutory decree), you are considered married for the whole year. If your spouse died in 1987, and you did not remarry, you are considered married for the whole year. If you check the box on line 6b, it could be taken as an exemption for your spouse on the date of death.

Nonresident Alien Spouse. If you do not file a joint return, you may claim an exemption for your spouse only if your spouse is a nonresident alien, is not your dependent, and is not the dependent of another taxpayer. Check the box on line 6b to claim an exemption for a nonresident alien spouse and enter "NRA" to the right of the word Spouse on line 6b.

Line 6c See instructions for line 6c for the definition of dependent.

Special Rules

- a. If you receive payments under the Aid to Families with Dependent Children (AFDC) program and use them to pay part of the cost of keeping up your home, you may not count these payments as tax-exempt income.
- b. You cannot file as head of household if you claim a relative described in 1 or 2 above as a dependent under a **Multiple Support Declaration.** (See page 8 for details on dependents supported by two or more taxpayers.)

Qualifying Widow or Widower With a Dependent Child

If your dependent listed in column (2) was under age 5 on December 31, 1987, enter a check mark in column (3).

Column (3). If your dependent was age 5 or over on December 31, 1987, you must enter his or her social security number. If you don't or if the number entered is incorrect, you may have to pay a penalty. If your dependent does not have a social security number, enter "N/A" for "Not Applicable." If your dependent's social security number was obtained by filing Form SS-5 with a local Social Security Administration office, if your dependent does not have a number by the time you are ready to file your return, apply for one and enter "Applied for" in column (3).

Column (5). If your dependent lived with you as a child, you must enter the number of months that your dependent actually lived with you in 1987, except for temporary absences such as for vacation or school, enter "12." Otherwise, enter the number of months that your dependent actually lived with you during 1987.

Children Who Didn't Live With You. If you are claiming a dependent under the rules for **Children of Divorced or Separated Parents**, enter the total number of such children in the box to the right of line 6c labeled "No. of children on 6c who didn't live with you due to divorce or separation." You must enter either

- a. attach **Form 8332, Release of Claim to Child or Spouse**, signed by the Divorced Parents, or similar statement, **OR**
- b. check the box on line 6d for pre-1985 agreements if you have such an agreement that states you are entitled to claim the child as a dependent.

Enter the total number of dependent children who did not live with you for other reasons in the box labeled "No. of other dependent children." If you are claiming a **Nonresident Alien Spouse**, you can take an exemption for a dependent who was born or who died during 1987, if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more details, see **Publication 501, Exemptions and Standard Deduction**.

Dependent. A dependent is any person who meets **ALL 5** of these tests:

1. income.
2. support.
3. married dependent.
4. citizenship or residence.
5. relationship.

These tests are explained below:

1. **Income.** In general, the person must have received less than \$1,900 of gross income. Gross income does not include nontaxable income, such as interest on U.S. government bonds or nontaxable social security benefits.

Income received by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included in gross income for purposes of the income test. Get **Publication 501** for details.

Special Rules for Your Dependent Child. Even if your child had income of \$1,900 or more, you can claim him or her as a dependent if tests 2, 3, and 4 below are met, and

- a. your child was under 19 at the end of 1987, or
- b. your child was enrolled as a full-time student at a school during any 5 months of 1987, or

c. your child took a full-time, on-farm training course during any 5 months of 1987. (The course had to be given by a school, college, university, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

A school includes

- elementary, junior, and senior high schools,
- colleges and universities, and
- technical, trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

2. Support. In general, you must have given over half of the dependent's support in 1987. If you file a joint return, the support can be from you or your spouse.

Page 8

or your spouse. Even if you did not give over half of the support, you may be treated as having given over half of the support if you meet the tests explained below for **Children of Divorced or Separated Parents** or **More Taxpayers Supported by Two or More Taxpayers**.

In figuring total support, you must include money the dependent used for his or her living expenses. Money that was not taxable (for example, gifts, savings, welfare benefits).

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring the tests for a dependent of these items, support, use the actual cost of these items. However, the cost of a place to live is figured as the fair rental value of the place.

Do not include the following items as income and social security taxes, premiums for life insurance, or funeral expenses.

Capital items—You must include capital items such as a car or furniture in figuring support, but only if they were actually given to, or bought by, the dependent for his or her use or benefit. Do not include the cost of items that the dependent used for use by persons other than the dependent.

If you cared for a foster child, see **Publication 501** for special rules that apply to foster children.

Children of Divorced or Separated Parents. The parent who has custody of a child for most of the year (the custodial parent) can generally take the exemption for that child if the child's parents together provide more than half of the child's support. This general rule also applies to parents who last 6 months of the year. But the parent who does not have custody, or who has the child for the shorter time, the noncustodial parent, may take the exemption if either a or b below applies:

a. The custodial parent signs **Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents**, or similar statement, agreeing not to claim an exemption for the child in 1987, and the noncustodial parent attaches the form, or return, **OR**

b. A decree of divorce or separate maintenance (or a written agreement) that is in effect before 1985 states that the noncustodial parent can take the exemption and he or she gave at least \$600 for the child's support in 1987. The noncustodial parent must attach a statement for 1987 and pre-1985 agreements. (This rule does not apply if the decree or agreement was modified after 1984 to specify that the noncustodial parent cannot claim the exemption.)

Note: In figuring support, a parent who has remarried may count the support provided by the new spouse.

Dependent Son or Daughter Supported by Two or More Taxpayers. Taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if the tests for income, relationship, and support are met. This page are met.

In addition, the taxpayer who claims the dependent must

- a. claim the dependent as more than 10% of the dependent's support, and
- b. attach to his or her tax return a signed **Form 2120, Multiple Support Declaration**, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption for the dependent or for the person he or she helped to support.

3. Married Dependent. The dependent cannot be a joint return. However, if neither the dependent nor the dependent's spouse is required to file, they file a joint return to get a refund of all tax withheld, you may claim him or her if the other 4 tests are met.

4. Citizenship or Residence. The dependent must have been a citizen or resident of the United States, a resident of Canada, Mexico, or a territory of the United States, or have lived the entire year with a U.S. citizen in a foreign country.

5. Relationship. The dependent must test a or b below:

- a. Was related to you (or your spouse) if you are filing a joint return) in one of the following ways:

Child	Stepbrother	Son-in-law
Stepchild	Stepdaughter	Daughter-in-law
Other	Stepmother	or
Grandparent	Stepfather	or
Brother	Mother-in-law	Uncle
Sister	Father-in-law	Aunt
Grandchild	Brother-in-law	Nephew
Sister-in-law	Niece	

Note: Any relationship that has been ended by death or divorce is not treated as ended for purposes of this test.

b. Was any other person who lived in your home as a member of your household for the whole year. A person is not a member of your household if at any time during your tax year the relationship between you and that person violates local law.

The word *child* includes

- Your son, daughter, stepson, stepdaughter, adopted son or daughter.
- A child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption.

- A foster child (any child who lived in your home as a member of your family for the whole year).

Examples of Income You Do Not Report (Do not include these amounts when you decide if you must file a return.)

Welfare benefits
Disability retirement payments (and other benefits) paid by the Veterans' Administration
Workers' compensation benefits, insurance damages, etc., for injury or sickness
Child support
Gifts, money, or other property you inherited or that was willed to you
Dividends on veterans' life insurance
Life insurance proceeds received because of a person's death

Line 30

Adjusted Gross Income

If line 30 is less than zero, you may have a net operating loss. See Publication 536, *Net Operating Losses*.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you paid too little, we will bill you for the balance. You will not be penalized for not paying your tax. We will make payment if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions described below:

- All of your income for 1987 was from one or more of these sources:
 - a. Salaries, wages, and tips
 - b. Interest
 - c. Dividends
 - d. Pensions or annuities
- You do not itemize deductions.
- You cannot be claimed as a dependent on another person's return.
- You do not file Schedule D, Capital Gains and Losses and Reconciliation of Forms 1099-B.
- You do not file Form 8615, Computation of Tax for Children Under Age 14.
- You do not file Form 2555, Foreign Income and Taxes.
- You do not have more than \$1,000 of investment income (line 30) is not more than \$50,000.
- You are not required to make any payment on the debt of your spouse or former spouse, and
- The payment is not treated as child support.

These rules also apply to certain instruments modified after 1984. Other rules apply if you paid more than \$10,000 in any calendar year. For more details, see Publication 504.

Line 29

Total Adjustments

Add lines 23 through 28 and enter the total. If line 29 is less than zero, enter the total on line 29.

Forfeiture/Redemption

If you claim a deduction for the amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 29. If you have a deduction in the total on line 29, you must file Schedule C or Schedule F for this activity.

Recapture of Sub Pay Under the Trade Act of 1974

If you claim a deduction for the amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 29. If you have a deduction in the total on line 29, you must file Schedule C or Schedule F for this activity.

Publication 525: Taxable and Nontaxable

For more details

Credit for the Elderly or for the Permanently and Totally Disabled

If you qualify to take this credit, attach Schedule E to your return and write "CRED" on the dotted line to the left of line 41. If you are a taxpayer with a dependent child, you may also claim the credit for the child's living status deduction (see line 33b). If you are a taxpayer with a dependent child, you may also claim the credit for the child's living status deduction (see line 33b).

Earned Income Credit

To take this credit (see the instructions for line 56 on page 18), write "EIC" on line 56.

Tax Computation

Lines 32a through 32c
Line 32a: If you were age 65 or over or blind, enter the appropriate box on line 32a. If you were age 65 or over or blind, also check the appropriate boxes for your spouse.

Age and blindness are determined as of December 31. However, if your 65th birthday is January 1, 1988, you should check the "65 or over" box on your 1987 return.

Proof of Blindness. If you are completely blind, attach a statement to your return to this effect:

In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that:

- 1. You cannot see better than 20/200 in the better eye with glasses or contact lenses, OR
- 2. Your field of vision is not more than 20 degrees.

If this eye condition will never improve beyond the standards in 1 or 2, you may submit a certified opinion to this effect from an examining eye physician. You must attach this certification to your return only if you are claiming a dependent on your return. If you are claiming a dependent on your return, you must also include a statement referring to an eye physician or optometrist.

Line 32c. If you were a dual-status alien who was a U.S. citizen or resident at the end of 1987 and your spouse agrees to be taxed on your combined worldwide income, do not check the box on line 32c. Otherwise, check the box.

Line 33a

Itemized Deductions

Should You Itemize? You must decide whether to itemize your deductions for charitable contributions, medical expenses, interest, taxes, etc., or take the standard deduction. See the instructions for line 33b. Compare your total itemized deductions (line 33a) with your standard deduction (line 33b).

Schedule A (Form 1040), with your

allowable standard deduction. If your itemized deductions are more than your standard deduction, you figure your tax will be less if you itemize. To figure your itemized deductions, see the instructions for line 33b.

Caution: If you checked any of the boxes on lines 32a, 32b, or 32c of your tax return, you cannot claim the credit for the child's living status deduction (see line 33b). See **Special Standard Deduction Rules** discussed later.

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Line 33b

Standard Deduction
If you do not itemize deductions, you may take the standard deduction instead. If you checked the box on line 33b, you cannot take the standard deduction.

Exception: If you checked the box on line 33b, you cannot take the standard deduction.

If you checked any of the boxes on lines 32a, 32b, or 32c, you must use the **Special Standard Deduction Rules** discussed below to figure the amount of your standard deduction.

If you were not required to check any of the boxes on lines 32a, 32b, or 32c, enter the deduction amount for your filing status that appears on line 33b of the return.

Special Rules Apply If:

- You were age 65 or over or blind (you checked any box on line 32a).
- You can be claimed as a dependent on another person's return (you checked the box on line 32b).
- You checked the box on line 32c.

Box on Line 32c Checked — No Standard Deduction Allowed. If you are married filing separately, you must file a separate return and your spouse itemizes deductions, or if you are a dual status alien, you cannot take the standard deduction.

If you were age 65 or over or blind, or if you were a dual status alien, you must use the worksheet for dependents. See the instructions for line 33b.

Standard Deduction for Persons Age 65 or Over. If you are age 65 or over, your standard deduction is \$1,000 more than the standard deduction for other individuals. Use the following chart to find the standard deduction amount to enter on line 33b. But before using the chart, check the box on line 32a. If you are a dual status alien, you must use the worksheet for dependents. See the instructions for line 33b.

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enter on line 33b. Be sure you check the box on line 32b.

Worksheet for Dependents
(Keep for your records)

1. Enter your earned income (defined below) \$500

2. Minimum amount

3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts on line 3.

4. If line 65 or over or blind, enter below for your filing status. If 65 or over or blind, enter on line 4 the amount shown on the worksheet for dependents. If you are a dual status alien, enter on line 4 the amount shown on the worksheet for dependents.

5. Standard deduction

6. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

7. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

8. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

9. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

10. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

11. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

12. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

13. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

14. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

15. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

16. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

17. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

18. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

19. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

20. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

21. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

22. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

23. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

24. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

25. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

26. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

27. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

28. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

29. Enter the smaller of the two amounts on lines 3 and 5. Enter the smaller of the two amounts on line 3b.

received for personal services you performed. Beginning in 1987, it also includes any amount received as a scholarship that you must include in your income. If you earned income as the total of the amounts you reported on Form 1040, lines 7, 13, and 18.

Line 35

Exemptions

Use the following chart to find the amount to enter on line 35. If you claimed more than 10 exemptions, multiply \$1,900 by the total number of exemptions entered on line 6e.

If the number on line 1040, line 35, is

1 \$1,900

2 3,800

3 5,700

4 7,600

5 9,500

6 11,400

7 13,300

8 15,200

9 17,100

10 19,000

Line 37

Tax

To figure your tax, use one of the following methods:

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if you are a single taxpayer, a married taxpayer filing jointly, or a surviving spouse.

Schedule D. If you are a dual status alien, you can use Schedule D, Part IV, Alternative Tax Computation to figure your tax. See Part IV of Schedule D.

Tax Tip. If you had capital gain distributions but did not have to file Schedule D, you may be able to use Schedule D to figure your tax. See the instructions for line 33b.

Form 8615. Beginning in 1987, Form 8615 must generally be used to figure the tax for any child who was under age 14 on December 31, 1987, and who had more than \$1,000 of investment income (such as taxable interest or dividends). However, if the child was under age 14 on December 31, 1987, do not use Form 8615 to figure the child's tax.

Tax Table. If none of the above conditions applies to you, you **MUST** use the Tax Table to find your tax. Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 37.

Line 38

Additional Taxes

Check the box(es) on line 38 to report any of the additional taxes listed below.

Form 4970. Tax on Accumulation Distribution of Trusts.

Form 4972. Tax on Lump Sum Distributions.

Earned income includes wages, salaries, fees, professional fees, and other compensation.

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Credits

Line 40 Credit for Child and Dependent Care Expenses

You may be able to take a credit for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or a dependent who is physically or mentally incapable of self-care for himself or herself. Use **Form 2441** to figure the amount of any credit.

Please see **Form 2441** for more information, including special rules for divorced or separated parents and certain employment taxes that you may owe.

Line 41

Credit for the Elderly or for the Permanently and Totally Disabled
You may be able to take this credit and reduce your tax if, by the end of 1987, you were

- age 65 or over, or
- under age 65, you're retired on permanent and total disability, and you had taxable disability income in 1987.

For more information, see the separate instructions on line 41, **Module R**. Enter the credit on line 41.

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 15.

Line 42

Add lines 40 and 41, and enter the total on line 42. Enter the total on line 42 of any of the following credits:

Carryforward of Residential Energy Credit. Generally, if you have an energy credit carryforward from a prior tax year, you may take a credit against your tax. Use **Form 5695**, **Residential Energy Credit**.

Carryforward. To figure the amount allowed for a carryforward credit, enter the credit on the dotted line next to this total, write "REC" (residential energy credit) and show the amount.

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were paid on your home mortgage by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your principal residence. You must complete and attach **Form 8396**, **Mortgage Interest Credit**, to your return. Enter the credit on the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount.

Line 44

Foreign Tax Credit
Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also see **Publication 514**, **Foreign Income Tax or Credit**. Enter the credit from **Form 1116** on line 44.

Line 45 General Business Credit

Check the box(es) on line 45 if you can take any of the five credits listed below. Use the appropriate credit form (as described below) to figure the credit. If you have only one credit, enter on line 45 the amount of the credit from the form.

- **Two-year credit carryforward or take credit.** If you have a credit carryforward, also complete **Form 3800** to figure the total credit and enter on line 45 the amount from **Form 3800**. Also be sure to check the box on line 45 for **Form 3800**.

Form 3468, Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985. For more details, see **Form 3468**.

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use **Form 5884** to figure the credit. Get **Publication 572**, **General Business Credit**, for more details.

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an equivalent) for use as fuel in a motor vehicle, your trade or business, you may be able to take a credit for the alcohol used as fuel. Use **Form 6478** to figure the credit.

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenses paid or incurred in carrying on your trade or business. Use **Form 6765** to figure the credit.

Form 8586, Low-income Housing Credit. Beginning in 1987, if you owned a building that was part of a low-income housing project, you may be able to take this credit. Generally, this credit only applies to **Form 8586** to figure the credit. Get **Publication 572**, **General Business Credit**, for more details.

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Line 49 Alternative Minimum Tax

You may be liable for the alternative minimum tax if your return includes any of the items listed below, and your adjusted gross income added to those items totals more than:

- \$40,000 if married filing jointly or as a couple (including a dependent child, or
- \$30,000 if married filing separately.

- \$20,000 if married filing separately.
- Accelerated depreciation.
- Amortization of certified pollution-control facilities.
- Charitable contribution of appreciated capital gain property.
- Incentive stock options.
- Tax-exempt interest from private activity bonds or exempt-interest dividends from a regulated investment company.
- Inhabitable drilling costs.
- Depletion.
- Reserves for losses on bad debts of financial institutions.
- Circulation and research and experimental expenditures.
- Mining exploration and development costs.
- Installment sales of property.
- Tax shelter farm loss.
- Passive activity loss.
- Income from long-term contracts.
- Income from the sale of real property.
- See **Form 4255** and its instructions to see if you owe this tax.

Line 50

Tax From Recapture of Investment Credit
You may owe this tax if you disposed of the investment credit property before the end of the useful life of the property. See **Form 4255** for details. Enter any tax from **Form 4255** on this line.

Line 51

Social Security Tax on Tip Income Not Reported to Employer
If you received tips of \$20 or more in any month and you did not report the full amount of the tips to your employer, you may owe this tax. Enter the amount of the tax on line 51. See **Form 4255** for details. Enter any tax from **Form 4255** on this line.

Line 52

Tax on IRAs and Retirement Plans
You may owe this tax if (1) you received any early distributions from your IRA, qualified employer plan, qualified annuity plan or tax-sheltered annuity plan, (2) you received any excess distributions from a plan mentioned in (1) (3) you made excess contributions to an IRA, or (4) you received a distribution from an IRA or annuity. Get **Form 5329** and its instructions to see if you owe this tax. If you do, complete and attach **Form 5329** to your return, and enter the total tax on line 52.

Line 53

Total Tax
Add lines 47 through 52. Put the total on line 53. Also include on line 53 any of the following that apply:

- **Section 72 Penalty Tax.** If you are or were a 5% owner of a business and you received an excessive distribution from a Keogh plan or trust, you may have to pay a penalty tax on the distribution. Get **Publication 560** for more details.
- Include the amount of the penalty in your total for line 53. On the dotted line next to this total, write "Section 72 penalty" and show the amount.
- **Advance Earned Income Credit (EIC) Payments.** If you received advance EIC payments (AEC), the amount will be shown on line 53. Enter the amount on line 53. On the dotted line next to this total, write "AEC" and show the amount.

Note: The amount of earned income credit that you can actually take will be figured on the worksheet shown on page 19 and entered on line 56.

Uncollected Employee Social Security and RRTA Tax on Tips. If you received tips of \$20 or more in any month and you did not report the full amount of the tips to your employer, you may owe this tax. Enter the amount of the tax on line 51. See **Form 4255** for details. Enter any tax from **Form 4255** on this line.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must include the amount of the tax in your total for line 53. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any EPP will be shown on the amount from Box 16 in the total for line 53. If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any EPP will be shown on the amount from Box 16 in the total for line 53. If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

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Line 54 Payments

Total Federal Income Tax Withheld
Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2C, W-2P, and 1099-R**. Enter the total on line 54. The amount of Federal income tax withheld should be shown in Box 9 of **Form W-2**, Box 2 of **Form W-2C**, Box 11 of **Form W-2P**, and Box 2 of **Form 1099-R**. If the words "Form(s) 1099-R" are to the left of line 54, enter the total on line 54.

Backup Withholding. If you were subject to backup withholding on dividends, interest income, or other income you received during 1987, include the amount withheld in the total on line 54. This should be shown in Box "Form(s) 1099-R" next to this total.

Line 55

1987 Estimated Tax Payments
Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1987, including any payments you applied to your 1987 estimated tax. If you and your spouse paid joint income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died during 1987 and you made joint estimated tax payments. If you are filing a joint return, please enter your former spouse's social security number in the block provided on the front of **Form 1040**, in the upper right corner of the return, above the social security numbers, write "DIV" (divorced).

If you were divorced and remarried in 1987, enter your new social security number on the front of **Form 1040**. Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number.

Name Change. If you changed your name because of marriage, divorce, etc., and you are filing a joint return, attach a statement to the front of **Form 1040** explaining all the payments you and your spouse made in 1987. The Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 56

Earned Income Credit
The earned income credit helps many taxpayers who have a child and have earned income (see "Earned income includes" on this page) and adjusted gross incomes of less than \$10,000. For more details, see **Publication 596**, **Earned Income Credit**. Enter the credit from **Form 1040** on line 56. If you had no tax withheld from your pay, the credit can be as much as \$851.

Earnings, salaries, and tips usually the amount shown on Schedule SE (**Form 1040**), line 9.

Note: If you received advance earned income credit payments from your employer(s), see the instructions for line 53 on this page for information on how to report these payments.

Who Can Take the Credit?
You may be able to take the credit if you meet ALL 5 of the following conditions:
1. You are a U.S. citizen or resident, or a permanent resident alien.
2. You are at least 25 years old at the end of 1987.
3. You have a child (see "Definition of Child" on page 19) who lived with you in the same principal residence in the U.S. for more than half the year ending 1987 (or all of 1987, if your filing status is "Married, jointly" with a dependent child).
4. You do not file **Form 2555**, **Foreign Earned Income**.
5. Your filing status is married filing joint return, qualifying widow(er) with dependent child, or head of household. In these three filing statuses, the rules apply to each of these three filing statuses.

Married Filing Joint Return. Your child must be claimed as your dependent on **Form 1040**, line 6c. **Exception.** If your spouse is not your child's parent and the child's other parent (the noncustodial parent) claimed him or her as a dependent on his or her 1987 return, you can claim the child on your 1987 return. If you and your spouse are divorced or separated, you can take the credit if you meet all 5 of the conditions listed above. If you can take the credit because of this exception, you must enter the child's name on the dotted line to line 56.

Qualifying Widow(er) With Dependent Child. Your child must be claimed as your dependent on **Form 1040**, line 6c.

Head of Household. If your child was unmarried for 1987, you must enter that child's name in the space provided on **Form 1040**, line 4 for line 6c. If you claimed that child as a dependent on your 1987 return, you must be claimed as your dependent on **Form 1040**, line 6c. **Exception.** If your child's other parent claimed him or her as a dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents**, you can claim the credit. If you can take the credit because of this exception, you must enter the child's name on the dotted line to line 56.

Unmarried Widow(er) With Dependent Child. Your child must be claimed as your dependent on **Form 1040**, line 6c.

Head of Household. If your child was unmarried for 1987, you must enter that child's name in the space provided on **Form 1040**, line 4 for line 6c. If you claimed that child as a dependent on your 1987 return, you must be claimed as your dependent on **Form 1040**, line 6c. **Exception.** If your child's other parent claimed him or her as a dependent under the rules explained on page 8 for **Children of Divorced or Separated Parents**, you can claim the credit. If you can take the credit because of this exception, you must enter the child's name on the dotted line to line 56.

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Line 59 Tax on IRAs and Retirement Plans

You may owe this tax if (1) you received any early distributions from your IRA, qualified employer plan, qualified annuity plan or tax-sheltered annuity plan, (2) you received any excess distributions from a plan mentioned in (1) (3) you made excess contributions to an IRA, or (4) you received a distribution from an IRA or annuity. Get **Form 5329** and its instructions to see if you owe this tax. If you do, complete and attach **Form 5329** to your return, and enter the total tax on line 59.

Section 72 Penalty Tax. If you are or were a 5% owner of a business and you received an excessive distribution from a Keogh plan or trust, you may have to pay a penalty tax on the distribution. Get **Publication 560** for more details.

Advance Earned Income Credit (EIC) Payments. If you received advance EIC payments (AEC), the amount will be shown on line 53. Enter the amount on line 53. On the dotted line next to this total, write "AEC" and show the amount.

Note: The amount of earned income credit that you can actually take will be figured on the worksheet shown on page 19 and entered on line 56.

Uncollected Employee Social Security and RRTA Tax on Tips. If you received tips of \$20 or more in any month and you did not report the full amount of the tips to your employer, you may owe this tax. Enter the amount of the tax on line 51. See **Form 4255** for details. Enter any tax from **Form 4255** on this line.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must include the amount of the tax in your total for line 53. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any EPP will be shown on the amount from Box 16 in the total for line 53. If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

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the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also write "DECEASED" across the top of the tax return.

If the taxpayer died before filing a return, the taxpayer did not have to file a return. If the taxpayer died after filing a return, the taxpayer must file a return. If the taxpayer died before filing a return, the taxpayer must file a return. If the taxpayer died after filing a return, the taxpayer must file a return.

If your spouse died in 1987 and you did not remarry in 1987, you can file a joint return. You can also file a joint return if your spouse died in 1988 before filing a 1987 return. A joint return should show your income for all of 1987. If your spouse died in 1988, you must also sign a "surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, you must also sign the return. If you are claiming a refund as a surviving spouse, you must also sign the return.

Substitute Tax Forms
You may not use your own version of a tax form. You must use the version of the form contained in Publication 1167, "Instructions for Substitute Tax Forms." You can get a substitute tax form by writing to:
Forms Distribution Center
P.O. Box 25866
Richmond, VA 23260

Amended Return
If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file an amended return. Write "AMENDED RETURN" on the top of the return. You must file the amended return by the date the original return was due or filed, or 2 years from the date the tax was paid, whichever is later.

Section 5
Instructions for Schedules to Form 1040
For more details, see **Tele-Tax** information in the index (topic no. 165) or Publication 1167, "Instructions for Survivors, Executors, and Administrators."

Instructions for Schedule A
Itemized Deductions
Purpose of Schedule
Some taxpayers should itemize their deductions because they will save money. If you itemize, you can deduct part of your medical and dental expenses and other expenses you paid for certain taxes, interest, contributions, and certain miscellaneous expenses. You may also deduct certain casualty and theft losses. Beginning in 1987, moving expenses are also deductible. See Schedule A. These deductions are explained below.

Lines 1a through 4
Medical and Dental Expenses
Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 31. Beginning in 1987, you may deduct only the part of your medical and dental expenses that exceeds 7½% of the amount on Form 1040, line 31. Include all amounts you paid during 1987 (including amounts you paid for hospital, medical, and extra Medicare (Medicare B) insurance), but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer. Get Publication 502 for details on insurance reimbursement of prior-year medical or dental expenses in 1987. See the instructions for Form 1040, line 21. Do not include the amount of health insurance you paid for voluntarily paid for Medicare coverage. A coverage.

• The 14½% Medicare (hospital insurance) benefits tax withheld from your pay as part of the Social Security tax or the Medicare tax employment tax.

• The 14½% Medicare (hospital insurance) benefits tax withheld from your pay as part of the Social Security tax or the Medicare tax employment tax.

• Nursing care for a foreign country or other foreign country or similar institution, by a credit instead of a deduction. Please get Publication 514.

Examples of Medical and Dental Expenses You MAY NOT Deduct
• The cost of Medicare insurance (Medicare A).

Note: If you are 65 or over and not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare coverage.

• Life insurance or income protection policies.

• The 14½% Medicare (hospital insurance) benefits tax withheld from your pay as part of the Social Security tax or the Medicare tax employment tax.

• Nursing care for a foreign country or other foreign country or similar institution, by a credit instead of a deduction. Please get Publication 514.

• Funeral, burial, or cremation costs.

• Publication 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons.

Lines 5 through 8
Taxes You Paid
Line 5—State and Local Income Taxes
Include on this line state and local income taxes that were withheld from your salary and any estimated payments made in 1987, and including payments for a prior year. Do not reduce your deduction by either of the following:

• Any state and local income tax refund (or credit) you received for 1987, or for 1986, or for credit for prior-year state and local income taxes received in 1987 (see the instructions for Form 1040, line 11).

Line 6—Real estate taxes. Include taxes that you paid on property you own that was not used for business. Publication 530 explains the deductions homeowners may take.

• Your mortgage payments include your real estate taxes. If you itemize, you may deduct those taxes until the year the mortgage company actually pays them to the taxing authority.

Line 7—Personal property taxes and other taxes. If you had any deductible tax not listed on Schedule A, lines 5 or 6 (such as the tax on a car, boat, or other personal property or on long-term care insurance), list the tax on this line. Do not include the total in the total amount column on line 7.

Personal property tax must be based on value. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value.

If you paid tax to a foreign country or other foreign country or similar institution, by a credit instead of a deduction. Please get Publication 514.

Taxes You MAY NOT Deduct
• Federal income and excise taxes (RITA) taxes.

• Customs duties.

• Federal estate and gift taxes (However, see **Other Miscellaneous Deductions** on line 8).

• Certain state and local taxes, including general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

Lines 9a through 13
Interest You Paid
Include interest you paid on nonbusiness items only. Beginning in 1987, whether your interest expense is treated as investment or personal interest depends on how and, if the proceeds were received in cash, when you used the loan proceeds. Get Publication 545, Interest Expense.

Line 10—Points. Points (including loan origination fees) charged only for the use of money and paid with funds other than those obtained from the lender in connection with the life of your mortgage. Exception: Points may be deducted in the year paid if the loan was used to buy or improve your principal home, the loan was secured by that home, in the area where the loan was made, it is a first mortgage, and you paid no more than 1% of the loan's principal amount. Points usually charged in that area. This exception generally does not apply to points paid to refinance your mortgage. For more details, get Publication 545.

Line 11—Investment interest. Investment interest is interest paid on investment property held for investment. It does not include any interest taken into account on Form 8582 in figuring your income or loss from a passive activity.

Generally, for 1987, your investment interest deduction is limited to your net investment income. However, if your investment income was more than your net investment income, you may be able to deduct up to 65% of the excess.

Complete and attach Form 4952. Investment Interest Expense Deduction. To figure your investment interest deduction, complete Form 4952. If you have any investment income from interest, you must complete Form 4952. If you have any investment income from interest, you must complete Form 4952. If you have any investment income from interest, you must complete Form 4952.

Line 12—Charitable contributions. Charitable contributions are deductible (include on line 12a interest you paid on credit cards) as deductible (include on line 12a interest you paid on credit cards). Bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, late fees, loan fees, credit investigation fees, etc.

Line 9a. Enter the deductible mortgage interest on line 9b. If you are claiming the mortgage interest deduction, you must complete Form 1040, line 42, subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.

Note: If you are claiming the mortgage interest deduction, you must complete Form 1040, line 42, subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.

Line 10—Points. Points (including loan origination fees) charged only for the use of money and paid with funds other than those obtained from the lender in connection with the life of your mortgage. Exception: Points may be deducted in the year paid if the loan was used to buy or improve your principal home, the loan was secured by that home, in the area where the loan was made, it is a first mortgage, and you paid no more than 1% of the loan's principal amount. Points usually charged in that area. This exception generally does not apply to points paid to refinance your mortgage. For more details, get Publication 545.

Line 11—Investment interest. Investment interest is interest paid on investment property held for investment. It does not include any interest taken into account on Form 8582 in figuring your income or loss from a passive activity.

Generally, for 1987, your investment interest deduction is limited to your net investment income. However, if your investment income was more than your net investment income, you may be able to deduct up to 65% of the excess.

Complete and attach Form 4952. Investment Interest Expense Deduction. To figure your investment interest deduction, complete Form 4952. If you have any investment income from interest, you must complete Form 4952. If you have any investment income from interest, you must complete Form 4952.

Line 12—Charitable contributions. Charitable contributions are deductible (include on line 12a interest you paid on credit cards) as deductible (include on line 12a interest you paid on credit cards). Bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, late fees, loan fees, credit investigation fees, etc.

- Beginning in 1987, expenses of
 - Travel as a form of education
 - Attending a convention, seminar, or similar meeting unless it is related to your employment
 - Adopting a child, including a child with special needs
 - Fines and penalties
 - Expenses of producing tax exempt income

Instructions for Schedule B

Interest and Dividend Income

Purpose of Schedule B

- Use Schedule B if you are filing Form 1040 and you have:
- Had more than \$400 in taxable interest.
 - Had more than \$400 in dividends.
 - Had a foreign account, or
 - Were grantor of, or transferor to, a foreign trust.
- Part III of the schedule asks you to answer questions about foreign accounts and trusts.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line B, on page 9.

The payer should send you a **Form 1099-INT** or **Form 1099-OID**, if applicable, showing interest you must report. If the payer is a bank, it should also send you a **\$400** form in Parts I and III of this schedule.

Line 1

Report on line 1 the interest portion of any payments you received from an individual or a partnership, estate, or trust, in the form of seller financing that resulted from the sale of your home or other property.

Show the payer's name and the amount.

Line 2

Report on line 2 **ALL** taxable interest (other than seller financing interest) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Nominees. Include on line 2 interest you received, as a nominee, that actually belongs to another person. Several lines above line 2, put a special "nominee" label, write "Nominee Distribution," and show the interest amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 3.

Note: If you received interest as a nominee, give the actual owner a **Form 1099-INT**.

Accrued interest. When you buy bonds between interest payment dates and pay the seller, you may be entitled to interest payable to the seller. If you received a **Form 1099** for interest as a purchaser of a bond with accrued interest, follow the rules above under **Nominees** to see how to report the accrued interest on Schedule B. But don't subtract the interest from the accrued interest.

expenses you may include. For details, see **Tele-Tax Information** in the index (topic no. 305) or **Publication 587**, Business Use of Your Home.

Educational expenses you paid for yourself, your spouse, or dependent child, law or regulations, to keep your present salary or job. In general, you may also include the cost of maintaining or improving skills you must have in your present position for more details, see **Tele-Tax Information** or **Publication 587**, Business Use of Your Home.

508 Educational Expenses. Some educational expenses are not deductible (see **Expenses You MAY NOT Deduct**).

Beginning in 1987, you must complete and attach **Form 2106**, Employee Business Expenses, to figure the amount to enter on line 20. However, none of your expenses will be deductible if you are a third party and you are **NOT** claiming any meal, entertainment, travel, or transportation expenses, you do not have to complete **Form 2106**. Report your expenses on line 21, instead.

Line 21. Use this line to report amounts you were paid or reimbursed for deductible business and your change of job location. List the type and amount of each expense. Enter one total in the total amount column on line 21. If necessary, show the required information on an attached statement.

Expenses on an attached statement are:

- Tax on gross pay or fee
- Safe deposit box rental
- Certain legal and accounting fees
- Clerical help and other rent
- Courier (e.g., just account) fees
- You had the expenses paid for by a regulated investment company.

Other Miscellaneous Deductions. **Line 25.** Only certain miscellaneous expenses are deductible. The 2% AGI limit. Some of these expenses are:

- Gambling losses, but not more than the gambling winnings you reported on **Form 1040**, line 21.
- Federal estate tax attributable to income in respect of a decedent that is ordinary income.

Examples of expenses to include on line 20 are:

- Union dues
- Safety equipment, small tools, and other expenses for your job
- Uniforms your employer said you must have, from which you may not usually wear away from work
- Protective clothing, required in your work, such as hard hats and safety shoes
- Physical examinations your employer said you must have
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job
- Business use of part of your home (but not a second home) and on a regular basis in your work and for the convenience of your employer. Beginning in 1987, new limits apply to the amount of

expenses attributable to your job that were not reimbursed by your employer or a third party.

Line 20. Use this line to report your expenses attributable to your job that were not reimbursed by your employer or a third party.

Examples of expenses to include on line 20 are:

- Union dues
- Safety equipment, small tools, and other expenses for your job
- Uniforms your employer said you must have, from which you may not usually wear away from work
- Protective clothing, required in your work, such as hard hats and safety shoes
- Physical examinations your employer said you must have
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Use line 21 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the loss.)

For more details, get **Publication 547**. It also gives information about Federal disaster area losses.

Line 19

Moving Expenses

Beginning in 1987, moving expenses are deductible. You may deduct moving expenses allowed only as an itemized deduction. Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved your home, and your new workplace has added at least 35 miles to the distance from your old residence to your workplace. If you had no former workplace, your new workplace must be at least 35 miles from your old residence. You must meet these conditions for both your home and workplace.

Line 19a. Enter your total cash expenses for moving expenses. Complete and attach **Form 3903** to figure the amount of moving expenses to enter on line 19. If you began work at a new workplace outside the conditions of the sale. If your total cash expenses for moving expenses are \$500 or more, attach **Form 3903**, Foreign Moving Expenses.

Lines 20 through 25

Miscellaneous Deductions

Expenses You MAY Deduct

Beginning in 1987, unreimbursed employee business expenses, expenses of producing income, and most other miscellaneous deductions are deductible only to the extent that the total deduction does not exceed 2% of the amount on **Form 1040**, line 31. (However, handicapped employees should also see line 25 instructions.) Generally, any other limit that applies to these expenses is taken into account before the 2% AGI limit.

Miscellaneous Deductions. **Line 25.** Only certain miscellaneous expenses are deductible. The 2% AGI limit. Some of these expenses are:

- Gambling losses, but not more than the gambling winnings you reported on **Form 1040**, line 21.
- Federal estate tax attributable to income in respect of a decedent that is ordinary income.

Examples of expenses to include on line 20 are:

- Union dues
- Safety equipment, small tools, and other expenses for your job
- Uniforms your employer said you must have, from which you may not usually wear away from work
- Protective clothing, required in your work, such as hard hats and safety shoes
- Physical examinations your employer said you must have
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job
- Business use of part of your home (but not a second home) and on a regular basis in your work and for the convenience of your employer. Beginning in 1987, new limits apply to the amount of

expenses attributable to your job that were not reimbursed by your employer or a third party.

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- Dues to professional organizations and chambers of commerce
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- Physical examinations your employer said you must have
- Dues to professional organizations and chambers of commerce
- Subscriptions to professional journals
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- Business use of part of your home (but not a second home) and on a regular basis in your work and for the convenience of your employer. Beginning in 1987, new limits apply to the amount of

expenses attributable to your job that were not reimbursed by your employer or a third party.

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or capital gain that would have resulted if the property had been sold at its fair market value.

c. How you figured your deduction if you claimed a capital gain property deduction for gifts of property.

Note: If your total deduction for gifts of property is over \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 14a. Enter your total cash expenses for gifts of property, except those that total \$3,000 or more to any one organization.

Line 14b. Enter cash contributions totaling \$3,000 or more to any one organization. Show to whom and how much you gave in the space provided.

Line 15. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 16b. Enter cash contributions totaling \$3,000 or more to any one organization. Show to whom and how much you gave in the space provided.

Line 17. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 18. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 19. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 20. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 21. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 22. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

Line 23. Enter your contributions of property. If you gave used items, such as market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If your total cash contributions for gifts of property is more than \$500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(n), your records should contain additional information. Get **Publication 526** for details.

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If you contributed to a charitable organization and also received a benefit from the organization, the amount of the contribution that is more than the value of the benefit you received.

Contributions You MAY Deduct

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the charity, the amount of the contribution, and the date you gave it) or in kind (property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the mileage deduction. Do not deduct parking (but don't deduct any amounts that were repaid to you).

Limit on the amount you may deduct. Get **Publication 526**, Charitable Contributions, to figure the amount of your deduction if any of the following applies:

- your deductible charitable travel
- your cash contributions or contributions of ordinary income property are more than 30% of **Form 1040**, line 31.
- certain gifts of capital gain property to certain organizations are more than 20% of **Form 1040**, line 31.
- you gave gifts of property that increased in value or gave gifts of the use of property.

You MAY NOT Deduct As Contributions

- Beginning in 1987, travel expenses from home unless they are for a bona fide vacation in the travel element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in property (except for a charitable gift, until the entire interest has been transferred).
- Gifts to:

a. Individuals

b. Foreign organizations

c. Groups that are run for personal profit

d. Groups whose purpose is to lobby for changes in the laws

e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce

f. Religious, educational, scientific, or literary organizations

g. Charities, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boy Scouts, etc.

h. Fraternal orders, if the 8% will be used for the purposes listed above and the organization's name and address, the date and location of the gift, and a description of the property. You should also keep reliable written records for each gift of information that include the following:

- How you figured the property's value at the time you gave it (if the value was determined by an appraisal, you should also keep a signed copy of the appraisal)
- The cost or other basis of the property
- If you must reduce it by any ordinary income the gifts are solely for public purposes

• Revolving charge accounts. Deduct any finance charge a fiscal store added if the balance was based on your monthly unpaid balance.

• Your personal bank for money you, or borrowed from a bank, a credit union, or another person.

• Loans on life insurance. If you paid the interest in cash and you report on the cash basis.

• Installment loans on personal property. If you paid the interest in cash and you report on the cash basis.

• Taxes you paid late. Show only the interest, do not include any amount that is considered a penalty. If the tax is deductible, show it under **Taxes You Paid** (line 5 through 8 of this schedule).

Note: Special rules apply to interest on certain types of loans. See **Publication 545**, Investment Income.

Interest You MAY NOT Deduct

- Do not include interest paid on your debts, such as credit cards, or on a government security. Also do not include the interest you paid for —
- Certain loans against your interest in a 401(k) plan or a cash sheltered annuity plan that were made, renewed, renegotiated, published, or amended after 1986. (Get **Publication 579**, Pension and Annuity Income, for details.)
- Tax exempt income. This includes interest on money you borrowed to buy or carry wholly tax exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or investments, to the extent any interest investment is tax exempt.
- A loan on life insurance if the interest is added to the loan and you report on the cash basis.
- A debt to buy a single premium life insurance or endowment contract.
- Any kind of business transaction (Use Schedules C, E, or F of **Form 1040** to deduct business interest expenses.)

Get **Publication 545** for more details.

Lines 14a through 17

Contributions You Made

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boy Scouts, etc.
- Fraternal orders, if the 8% will be used for the purposes listed above and the organization's name and address, the date and location of the gift, and a description of the property. You should also keep reliable written records for each gift of information that include the following:

- How you figured the property's value at the time you gave it (if the value was determined by an appraisal, you should also keep a signed copy of the appraisal)
- The cost or other basis of the property
- If you must reduce it by any ordinary income the gifts are solely for public purposes

<p>Identify in column (g) the property you disposed of. Enter the date you disposed of it in column (b), and the date acquired in column (c). Write "like-kind exchange" in column (d). Enter the cost or other basis in column (e). Enter zero in columns (f) and (g).</p> <p>Other Than Involuntary Conversion of Capital Assets Held for Personal Use. This type of gain is a capital gain. Report it on Schedule D, Part II for Part II. Loss from the sale or exchange of this property is not deductible.</p> <p>Disposition of Partnership Interest. A sale or other disposition of an interest in a partnership is a capital gain or loss. Report it on Schedule 541, Tax Information on Partnerships.</p> <p>Long-Term Capital Gains From Regulated Investment Companies. Include in income as a long-term capital gain the amount(s) shown on Form 2439 that represents your share of the undistributed capital gains of a regulated investment company. Report it on line 60 of Form 1040. Add to the basis of the property sold on Form 2439 the amount shown on line 60 of Form 1040. The excess of the amount included in income over the credit included in income over the credit.</p> <p>Sale of Residence. Use Form 2119, Sale or Exchange of Principal Residence, to report a gain from the sale of your principal residence whether or not you received a capital gain. For more information, get Publication 523, Tax Information on Selling Your Home.</p> <p>Installment Sales. If you sold property at a gain (other than publicly traded stocks or securities), and you will receive a payment in a year after the year of sale, you must report the sale on the installment method unless you elect not to. Report the sale on Form 6252, Installment Sale Income. Also use Form 6252 if you received a payment in 1987 for a sale made in an earlier year on the installment method.</p> <p>If you want to elect out of the installment method, report the sale as a capital gain or loss on Form 1040. Attach Form 6252 if you received a payment in 1987 for a sale made in an earlier year on the installment method.</p> <p>(1) Report the full amount of the sale on Schedule D.</p> <p>(2) If you received a note or other obligation and are reporting it at less than face value (including all contingent payments), you must report the full amount of the sale on the installment method. If you received more than one note, enter the amounts separately in the spaces in Part VI of Schedule D.</p> <p>Section 1256 Contracts and Straddles. Use Form 6781, to report gains and losses from section 1256 contracts and straddles. Get Publication 550 for more information.</p> <p>Specific Instructions.</p> <p>Line 1</p> <p>Reconciliation of Forms 1099-B for Sales of Stocks, Bonds, etc. Enter your total sales of stocks, bonds, etc. from Form 1099-B, and your total sales of Form(s) 1099-B or an equivalent.</p>	<p>asset is also from a passive activity, you may also have to file Form 8582. When the loss becomes allowable under the at-risk rules, it is then subject to the passive activity rules.</p> <p>Items and Special Treatment</p> <p>The following items may require special treatment:</p> <ul style="list-style-type: none"> Transactions by a securities dealer Wash sales of stock or securities Bonds and other evidence of indebtedness Certain real estate subdivided for sale Dispositions received from an employee Dispositions received from a partnership, pension, profit sharing, or stock bonus plan (Get Form 4972, Tax on Lump-Sum Distributions. Also, get Publication 575, Pension and Annuity Income.) Gains on the sale of depreciable property to more than 50% owned entity, or to a partnership, or to a partnership or to a corporation. Gains on the disposition of stock in an interest charge domestic international sales corporation. Gains on the sale or exchange of stock in certain foreign corporations. Gains or loss on options to buy or sell, including closing transactions. Dispositions of property designed to be treated as a partnership surplus or as a contribution to capital, or to a foreign trust or partnership. Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated. Gains on the sale of qualified renewed dividends from a qualified public utility. Get Publication 550 for details. Transfer of appreciated property to a political organization. Loss on sale, exchange, or worthlessness of small business stock (section 1224 stock). In general, no gain or loss is recognized on the sale or exchange of property to a spouse or a former spouse (but only if the transfer is incident to divorce). Get Publication 504, Tax Information for Divorced or Separated Individuals. Amounts received on the retirement of a debt instrument generally are treated as interest on the exchange for the debt instrument. Losses from the disposition of warrants and highly erodible croplands converted to agricultural use (other than livestock grazing) after 3/1/86 and disposed of in 1987 or 1988 are treated as capital gains or losses reported on Schedule D, but gains are reported on Form 4797. <p>For rules on nontaxable exchanges, gifts of property, and inherited property, get Publication 544.</p> <p>For treatment by shareholders of section 1256 contracts, get Publication 542. For information on mutual funds, get Publication 564, Mutual Fund Distributions.</p> <p>Exchange of Like-Kind Property. Report the exchange of "like-kind" property even though no gain or loss is recognized when you exchange business or investment property for property of the same kind. For exceptions, get Publication 544.</p>	<p>d. Real property (real estate) used in your trade or business.</p> <p>e. A copyright, a literary, musical, or artistic composition, a letter or memorandum, or other similar property (1) created by your spouse, partner, or 20% or more owner, or (2) received by you in the case of a letter, memorandum, or similar property, or (3) mentioned in (1) or (2), in a way (such as by gift) that entitles you to the basis of the property.</p> <p>f. U.S. Government publications (including the Congressional Record) that you received from the government, other than by purchase at the normal sales price, or sale or exchange of a capital asset (defined as property held for more than one year that you got from another taxpayer who had received it in a similar way. If your basis is determined by reference to the previous owner).</p> <p>Short-Term or Long-Term. Separate your capital gains and losses into short-term and long-term capital gains and losses. The holding period for long-term capital gains and losses is more than 6 months. The holding period for short-term capital gains and losses is 6 months or less.</p> <p>To figure the holding period, begin counting on the day after you received the property. If you received the property on a Friday, the holding period begins on Saturday and ends on Friday. If you received the property on a Saturday, the holding period begins on Sunday and ends on Saturday. If you received the property on a Sunday, the holding period begins on Monday and ends on Sunday. If you received the property on a Monday, the holding period begins on Tuesday and ends on Monday. If you received the property on a Tuesday, the holding period begins on Wednesday and ends on Tuesday. If you received the property on a Wednesday, the holding period begins on Thursday and ends on Wednesday. If you received the property on a Thursday, the holding period begins on Friday and ends on Thursday. If you received the property on a Friday, the holding period begins on Saturday and ends on Friday. 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If you use both options to figure net earnings from self-employment, your maximum combined total of net earnings cannot be more than \$1,600.

Line 4

Enter the smaller of:
• the total gross income from all Schedules K-1 (Form 1065), line 14b, or
• \$1,600

Line 6

Enter the smallest of:

- \$1,600, or
- two-thirds (2/3) of the total gross income from all Schedules C, line 5, plus your share of the total gross income from all nonfarm partnerships, Schedules K-1 (Form 1065), line 14c, or
- the amount on line 5 if you also had farm income and elect the farm optional method

Part III

Computation of Social Security Self-Employment Tax

Line 11a

Medicare Qualified Government Employment

If you are a Federal, state, or local government employee and your wages are subject ONLY to the 1.45% medicare (hospital insurance benefits) tax, do NOT include this pay in Social Security wages on line 11a. Social Security wages include: your salary, honoraria, or other income; your pension or annuity; your disability insurance; and your survivor's annuity.

Note. Also see the instructions for Form 1042, line 60, to see if you should file Form 4469, Computation of Excess Medicare Tax Credit.

Figure your self-employment tax using the rate below line 13. If you do not have to use the rate, do not reduce the rate by the medicare tax rate.

If your tax is subject ONLY to the 1.45% medicare tax and your combined wages and self-employment earnings (lines 7, 8, 11c, 12b, and 12c of Schedule SE) are in excess of \$43,800, skip line 13 and complete the worksheet below. Medicare qualified government employees are not subject to the 1.45% medicare tax.

Worksheet—Line 12b (keep for your records)

1. Enter total of lines 7, 8, and 12c from Schedule SE
2. Enter line 12a from Schedule SE
3. Enter line 12b from Schedule SE
4. Subtract line 3 from line 2. If zero or less, enter -0-
5. Multiply the smaller of line 1 or line 2 by .0981
6. Multiply the smaller of line 1 or line 2 by .0081
7. Add lines 5 and 6. Enter on line 14 of Schedule SE, and on Form 1040, line 48

three-fourths (3/4) of your gross farm income, instead of your actual net earnings from farming.

If your gross farm income was more than \$2,400, and your net farm profits were less than \$1,600, you can report \$1,600 on line 4. This method can be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. There is no limit on how many times you can elect to report \$1,600. You must apply it to all farm earnings from self-employment for the year.

You may change the method (from actual net to optional net or the reverse) after you file your return.

Optional Method for Figuring Net Earnings From Nonfarm Self-Employment

You may elect to use an optional method to figure your net earnings from self-employment if your net nonfarm profits are less than \$1,600 and less than two-thirds of your gross nonfarm income.

You may use this optional method if you are regularly self-employed or regularly a member of a partnership. You must then include this pay in Social Security wages on line 11a. Social Security wages include: your salary, honoraria, or other income; your pension or annuity; your disability insurance; and your survivor's annuity.

You may report on line 6 two-thirds of your gross nonfarm income, but not more than \$1,600, as your net earnings from self-employment. **But you may not report less than your actual net earnings from nonfarm self-employment.**

For a nonfarm partnership, your share of gross income is figured according to the partnership agreement. If you are a partner in a partnership, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

Using Both Optional Methods

If you use both optional methods, you may only use the nonfarm optional method if your actual net earnings from nonfarm self-employment are less than \$1,600. In self-employment cases, your net nonfarm profits must be less than two-thirds of your gross nonfarm income to use the optional method. If you use both optional methods, you may report less than actual total net earnings from farm and nonfarm income, but not less than actual net earnings from nonfarm self-employment alone.

Other Income Included in Net Earnings From Self-Employment

• Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you participated materially in the production or management of the production of farm products on this land. This income is farm income. (See instructions for line 12.)

• Production of material in farm management or participation, do not consider the activities of any agent who acted for you.

• Cash or a payment in kind received from the Department of Agriculture for participation in a land diversion program.

• Income received from a rental of other space, such as camp, room, or trailer, for houses, tourist camps, or homes, when substantial services are also provided.

• Payments you received for space in parking lots, trailer parks, warehouses, or storage garages.

• Income you received from the retail sale of goods, such as food, if you are 18 or over and kept the profits.

• Interest received in the course of any trade or business, such as interest on notes, or on funds receivable.

• The rental value of a home or an allowance to a member of a religious order or a minister or a member of a religious order.

• The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.

• Director's fees and other payments received by a director of a corporation for services as a director.

• Recapture amounts under sections 179 and 280F that were included in gross income because the business use of the property used in your trade or business dropped to 50% or less. (Do not include amounts recaptured on the disposition of property used in your trade or business.)

• Losses from Sale of Excess Assets. Used in a Trade or Business and Involuntary Conversions, for more information on guaranteed payments of the partnership.

• Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries who operate an estate's trade or business, but the last fiduciary manages an estate that requires extensive management activities over a long period of time.

• Option and commodity dealers engaged in trading section 1256 contracts, see section 1402(f) to determine net earnings from self-employment.

Part II

Optional Method for Figuring Net Earnings From Farm Self-Employment

If your gross farm income for the year was more than \$2,400, you can report two-thirds (2/3) of your gross farm income, instead of your actual net earnings from farming.

Part I

Register Computations of Net Earnings From Self-Employment

Complete this part if you are a self-employed person. If you are a partner in a partnership, your share of the partnership's gross income is your net earnings from self-employment. (See instructions for line 12.)

• Partnerships on page 34 for when to include your share of partnership income or loss in your net earnings from self-employment.

• Lines 1 and 2—Exclude from lines 1 and 2 any income or expense included in line 1, "figuring net earnings from self-employment and attach an explanation. If you are a partner in a partnership, and for any other reason, you are not reporting your share of partnership income or loss on line 1, you must use the optional method for line 12b.

• Publication 595, Tax Guide for Comment on Farming, for more information on the optional method for line 12b.

• Income you received as a crew member of a fishing vessel with a crew of normally less than 10 individuals. Get Publication 595 for more information.

• Fees you received for services performed as a state or local government employee or as a member of a religious order or a minister or a member of a religious order.

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Instructions for Schedule F

Farm Income and Expenses

Changes You Should Note

The Tax Reform Act of 1986 made a number of changes that may affect your 1987 return. Some of the changes include new rules for:

- Self-employed health insurance costs. See page 2.
- Passive activity losses. Beginning in 1987, your losses from passive activities are generally limited. See instructions for new line F.
- Capitalization of costs of property. See instructions for new line G.
- Discharge of indebtedness. See the instructions for line 11.
- Prepaid expenses of cash basis taxpayers. See the instructions for Part II.
- Conservation expenses. See the instructions for line 15.
- Interest expense allocation. See the instructions for lines 23a and 23b.
- Travel, meal, and entertainment expenses. See page 2.

For more information on these and other changes, get **Publication 225**, Farmer's Tax Guide.

Purpose of Schedule F

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, 1041S, or 1065. Please get **Publication 225** for additional information. It has samples of filled-in forms and schedules, and lists the instructions for each. You may also want to get **Publication 534**, Depreciation.

Filers of Forms 1041, 1041S, and 1065. Do not complete the block labeled "Social security number (SSN)", however, be sure to complete the block labeled "Employer ID number (not SSN)".

If you were required to make estimated tax payments in 1987 and you underpaid your estimated tax, you may be charged a penalty. However, you will not be charged a penalty if you meet the following tests:

- You are a farmer or fisherman or your gross income, and
- You file your 1987 tax return and pay the tax due by March 1, 1988.

For more details, see **Publication 225**.

Do not report the following income on Schedule F:

- Rent you received that was based on farm production or crop shares if you did not materially participate in the operation or management of the farm. Report this income on **Form 4835** and **Schedule E**.
- Income from the sale of land subject to sell-back agreement. For more details, see **Publication 225**.

- Rent from your pasture land that is based on a flat charge. Report this income in Part I of Schedule F. However, report on line 11 of Schedule F any income received from taking care of someone else's livestock.

Line E

If you made an election to include commodity credit corporation loan proceeds as income in the year you received the proceeds after first reporting as income in the year you sold or in the year the commodities in the year sold or in the year of forfeiture, and you reported these loan proceeds as income in a prior year, check the box on line E. For information on how to make this election, see the instructions for line 8.

Line F

Beginning in 1987, generally you can deduct losses from passive activities only to the extent of your income from other sources. However, the new law provides exceptions for certain activities and it also contains phase-in rules for some losses. A passive activity generally is any activity involving the conduct of a trade or business in which you do not materially participate. You are not allowed to deduct losses from a passive activity if you are involved on a regular, continuous, and substantial basis in the operation of the activity.

Note: If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you are a surviving spouse or a surviving spouse preceding your retirement or disability. Also, a surviving spouse is treated as materially participating in a farming activity if the real property used in the activity meets the estate tax rules for special-use valuation and the surviving spouse actually manages the farm.

For more details on passive activities, see **Schedule A** instructions on page 28.

If you did not materially participate in the operation of your farming business, check the box on line F. If you checked "No," you may claim a loss for the year. "No," and you complete **Form 5522**, Passive Activity Loss Limitations, to figure the amount of your allowable loss to enter on Schedule F, line 37.

Line G

Beginning in 1987, uniform capitalization rules apply if you produce real or tangible personal property or acquire property for resale. Under these rules, certain expenses are capitalized. These expenses include the direct costs of the property and the share of any indirect costs that are allocable to that property. However, this rule generally does NOT apply to any plant or animal that is produced in your farming business and that is sold or disposed of within the year. Also, these rules generally do not apply to expenses of replanting certain crops if they were lost or damaged by reason of disease, drought, or other casualty.

Even if the preproduction period of the plant or animal you produce is more than 2 years, you may elect not to have the rule apply. If you elect not to have the rule apply, you may not make this election for the costs of planting or growing citrus or almond groves.

Line A and B

On line A, enter your principal crop or service for the current year.

On line B, enter one of the fifteen major agricultural activity codes listed in Part IV of Schedule F. If you have more than one activity, select the one that represents the major farm activity from which you derive the largest amount of your income. Field crop pertains to the production of grains, such as wheat, rice, feed corn, soybeans, barley, rye, and milo. Horticulture includes the raising of plants, such as cotton, fruit, and ornamental plants. Animal husbandry includes the raising of livestock, such as cattle, horses, swine, sheep, goats, and poultry. Other includes the raising of bees, cats, dogs, and snakes.

Line C

Under the cash method, you include all of your income from the sale of farm property. Generally, you deduct your expenses when you pay them. If you use the cash method, check the box labeled "cash" and complete Parts I and II of Schedule F.

Under the accrual method, you include your income in the year you earn it. It does not matter when you get it. You deduct your expenses when you incur them. You use the accrual method, check the box labeled "accrual" and complete Parts I and II of Schedule F.

Other rules also apply that determine the timing of deductions based on economic performance. Get **Publication 538**, Accounting Periods and Methods, for details.

Line D

You need an employer ID number only if you had a Keogh plan, or you were required to have one. For more details, see **Publication 225**.

that are incurred before the close of the fourth tax year beginning with the tax year you plant them in their permanent grove.

Note: This election may not be made by tax shelterers, farm syndicates, or partnerships required to use the accrual method of accounting. If you get per-unit or nonproportionate dividends, you must be made for the planning, cultivating, maintenance, or development of planted trees.

If you elect to currently deduct your preproduction period expenses, you will have to recapture these costs as ordinary income in the year you receive the property and the alternative depreciation rule will apply to property placed in service in any tax year in which your election is in effect. You must make this election in the first tax year after 1986 during which you engage in a farming business. You may revoke this election without the consent of the IRS. Revenue Service. For more information, see **Publication 225**.

If you are electing not to capitalize the preproduction period expenses, check the "yes" box on line G.

Part I Farm Income—Cash Method

In Part I show the income you received for the items listed on lines 1 through 11. Count both the cash you actually or constructively received and the fair market value of goods or other property you received for these items.

Income is constructively received when it is made available to you without restriction so that you can use it at your option or set aside for your use. If you receive the income in shares, report these rents as income on line 4.

Sales of Livestock Because of Drought. If you sold livestock because of a drought, you may use to count the income from the sale in the year of the sale instead of the year of the sale. You can do this if:

- your main business is farming, AND
- you can show that you sold the livestock only because of the drought. AND
- your area qualified for Federal aid.

Lines 1 and 2

On line 1, show the amount you received from sales of livestock and other property bought for resale. On line 2, show the cost or other basis of the livestock and other items you actually sold.

Line 4

Show the amount you got from the sale of livestock, produce, grains, and other products you raised.

Lines 5a and 5b

If you received distributions from a cooperative in 1987, you should receive **Form 1095-PATR**, Statement for Recipients (Patrons) of Taxable Distributions Received From Cooperatives. Show how your total distributions from cooperatives are divided into the following categories: nonproportionate dividends, per-unit retain allocations, and redemption of nonqualified notices and per-unit retain allocations.

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Line 11

Use this line to report income other than that shown on lines 1 through 10. For example, include the following income:

- Barter income.
- Income from discharge of indebtedness.
- General. If you are forgiven, you must include the cancelled debt as income. However, the new law allows certain solvent farmers to exclude from income discharged qualified farm indebtedness. For information on whether you qualify for this exclusion, see **Publication 58**.
- State gasoline tax refund you got in 1987.
- The amount of credit for Federal tax on gasoline or other fuel claimed on your 1986 Form 1040.
- The amount of credit for alcohol used as a fuel that was entered on **Form 6478**.

Report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are commodity business insurance and are not capital gains or losses. If you had a loss in a closed futures contract, show it as a minus amount.

Caution: For property acquired and hedging positions established, you must clearly identify on your books and records that the transaction was a hedging transaction.

Purchase or sales contracts are not true hedges if they offset losses that already occurred or will occur on sold commodity futures with the hope of making a profit on favorable price changes. Do not report the profit or loss on **Form 6781**.

Part II Farm Deductions

Do not deduct:

- Personal or living expenses (such as taxes, interest, and depreciation on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Loss of inventory.
- Personal losses.

If you were repaid for any part of an expense, you must subtract that amount you were repaid from the deduction.

Note: New rules apply that require certain costs to be capitalized if you produced real or tangible personal property, or acquired property held for resale. Special rules apply for certain farm costs. See the instructions for more details.

Prepaid farming expenses. Generally, if you use the cash method of accounting, your expenses for feed, seed, fertilizer, other farm supplies, and the cost of poultry activity are deductible only in the year in which you actually incur them. If you use the accrual method, you may deduct these expenses in the year in which you spread over the lesser of 12 months or the useful life of the poultry. The cost of poultry bought for resale is deductible in the year in which the poultry is sold or otherwise disposed of. For more details, see **Publication 225**. This rule applies if your prepaid expenses

Show patronage dividends you received in cash, and the dollar amount of the written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income.

Include cash advances you got from a farming cooperative. If you get per-unit or nonproportionate dividends, you must be made for the planning, cultivating, maintenance, or development of planted trees.

You do not have to include as income patronage dividends from buying personal or family items, capital assets, or depreciable assets you use in your business. Enter these amounts on line 5b. If you do not include these amounts on line 5b, you must include them as income. You must subtract the amount of the dividend from the cost or other basis of these items.

Lines 7a and 7b

Enter on line 7a cash you got as price support payments, diversion payments, and cost-share payments (sight drafts).

On line 7b, show the amounts the Department of Agriculture paid for materials, such as fertilizer or lime, or services, such as grading or constructing dams.

Line 8

Generally, you report income from a crop in the year you sell it. However, if you pledge part or all of your production to secure a Commodity Credit Corporation loan, you must report the income in the year you receive the loan proceeds. If you receive the loan proceeds in the year of the sale, you must report the income in the year of the sale. If you make this election for your loan proceeds received in 1987, report them on line 8a and attach a statement to your return showing the details of the loan.

If you received a commodity credit loan and forfeited the loan, you must report the loan proceeds as income in the year received. If you forfeited the loan in a subsequent year and you did not elect to report the loan proceeds as income in the year received, you must report the loan proceeds in the year of forfeiture.

If you intend to report loan proceeds as income in the year of forfeiture, check the box on line E.

For additional information on commodity credit loans, see **Publication 225**.

Line 9

In general, you must report crop insurance proceeds in the year you receive them. However, you may choose to include crop insurance proceeds (and certain disaster payments) in income in the tax year after the year of damage. If you make this election, for the year the damage took to your return, you must include in your statement

If you received crop insurance proceeds in 1987 and you elect to include these proceeds in income in the year following the damage, check the box on line 9.

Line 10

Enter on this line the income you received for machine work (custom hire)

are more than 50% of your other deductible farming expenses. For an exception to this rule and additional information on prepaid expenses, see **Publication 225**.

Farming syndicates. A farming syndicate may be a partnership, any other noncorporate group, or an S corporation. If the interests in the business have ever been registered with any Federal or state agency or

a. more than 35% of the loss during any tax year is spread between limited partners or limited entrepreneurs (a limited partner is one who can lose only the amount invested in the partnership, a limited entrepreneur is one who can lose only the amount invested in managing the business), any active part in the business.

If you are a farming syndicate, you cannot use the cash method of accounting.

Line 15
Beginning in 1987, you can deduct what you paid for certain expenses, such as health, life, and accident insurance, and other expenses of your land only if the expenses are consistent with a conservation plan approved by the Soil Conservation Service (SCS) of the Department of Agriculture for the area in which your land is located. If no plan exists, the expenses must be for a conservation plan approved by a state agency. You must attach **Form 8645**, Soil and Water Conservation Plan.

Line 20
Certification. To your return if you claim this deduction.

You also begin in 1987, any expenses you pay or incur to drain or fill wetlands or to prepare land for center pivot irrigation are no longer deductible. At least 25% of your gross income from farming (excluding gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, you can carry the excess over to following years.

Line 22
Enter only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not include premiums for life, health, or medical insurance, or disability insurance on yourself or your family.

Lines 23a and 23b
Interest allocation rules. The tax treatment of interest depends on the type of loan. For example, personal interest, home mortgage interest, and investment interest (beginning in 1987, new "interest allocation" rules apply that require you to allocate (classify) your interest expense so that it is deducted on the proper place of your tax treatment. These rules could affect how much interest you deduct on Schedule F.

Generally, you allocate your interest expense by tracing how the proceeds of the loan are used. See **Publications 535** and **545** for more information, including special transition rules that may require you to allocate interest differently.

Line 25
Enter what you paid to rent machinery used on your farm.

Line 26
Enter the amount you paid to rent machinery used on your farm.

Line 27
Enter the amount you paid to rent pasture or farm land.

Line 28
Enter what you paid for repairs and upkeep on your principal home, and any of the proceeds from that debt were used in connection with your farming business, you may have to complete **Form 8598**, Home Mortgage Interest. To figure the interest that is deductible on Schedule F, see **Publication 545** for more information.

Line 32
You can deduct the following taxes:

• Real estate and personal property taxes on farm business assets.

If you have a mortgage on your real property used in your farming business, (other than your principal residence), enter on line 23a the interest you paid for 1987 to financial institutions; if you paid \$600 or more in interest, enter on line 23b the interest you should receive **Form 1098**, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1987. You should receive this statement by February 1, 1988. If you and your spouse are joint owners of the property, you should file the statement with your spouse, and the other person on the mortgage, and attach a statement to your return showing the name and address of the person who received the **Form 1098**. In the left margin, enter on line 23a, write "see attached."

On line 23b, enter the interest on other loans related to this farm. If you prepaid interest in 1987 for years after 1987, include only the part that applies to 1987.

Lines 24a and 24b
Enter the total cost of boarding farm labor. You can deduct the cost of boarding farm labor but not the value of any products they used from the farm. You can count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Caution: If you provided taxable fringe benefits to your farm labor, the farm labor's personal use of a car, do not deduct as farm labor the amount applicable to depreciation and other expenses claimed elsewhere.

Enter on line 24b the jobs credit from **Form 5884**, Get **Publication 572**, General Business Credit, for information on the jobs credit.

Line 25
Enter what you paid to rent machinery used on your farm.

Line 26
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1987 Tax Table

Based on Taxable Income

For persons with taxable incomes of less than \$50,000.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 36 of Form 1040 is \$25,320. First, find the line 36 amount of \$25,320 in the column "25,320 25,330" and read down the column. The amount shown where the income line and filing status column meet is \$3,679. This is the tax amount they must write on line 37 of their return.

At least		But less than		Single		Married filing jointly		Married filing separately		Head of a household	
Your tax is—											
25,200	25,250	4,807	3,664	5,374	3,973						
25,250	25,300	4,821	3,671	5,391	3,987						
25,300	25,350	4,835	3,679	5,409	4,001						
25,350	25,400	4,849	3,686	5,426	4,015						

1987 Tax Table—Continued

If line 36 (marital income) is—		And you are—		If line 36 (marital income) is—		And you are—		If line 36 (marital income) is—		And you are—	
But not both	Single	Married jointly	Head of household	But not both	Single	Married jointly	Head of household	But not both	Single	Married jointly	Head of household
14,000	1,984	2,047	2,004	17,000	2,707	2,764	2,721	20,000	3,487	3,544	3,501
14,050	2,032	2,095	2,052	17,050	2,755	2,812	2,769	20,050	3,535	3,592	3,549
14,100	2,079	2,142	2,099	17,100	2,802	2,859	2,816	20,100	3,583	3,640	3,597
14,150	2,126	2,189	2,146	17,150	2,850	2,907	2,864	20,150	3,631	3,688	3,645
14,200	2,174	2,237	2,194	17,200	2,897	2,954	2,911	20,200	3,679	3,736	3,693
14,250	2,221	2,284	2,241	17,250	2,945	3,002	2,962	20,250	3,727	3,784	3,741
14,300	2,269	2,332	2,289	17,300	2,992	3,049	3,006	20,300	3,775	3,832	3,792
14,350	2,316	2,379	2,336	17,350	3,040	3,096	3,053	20,350	3,823	3,880	3,837
14,400	2,364	2,426	2,383	17,400	3,087	3,144	3,101	20,400	3,871	3,928	3,885
14,450	2,411	2,473	2,430	17,450	3,135	3,192	3,152	20,450	3,919	3,976	3,933
14,500	2,459	2,520	2,477	17,500	3,182	3,239	3,196	20,500	3,967	4,024	3,981
14,550	2,506	2,567	2,524	17,550	3,230	3,287	3,244	20,550	4,015	4,072	4,032
14,600	2,554	2,615	2,572	17,600	3,277	3,334	3,291	20,600	4,063	4,120	4,079
14,650	2,601	2,662	2,619	17,650	3,325	3,382	3,342	20,650	4,111	4,168	4,127
14,700	2,649	2,710	2,667	17,700	3,372	3,429	3,386	20,700	4,159	4,216	4,177
14,750	2,696	2,757	2,714	17,750	3,420	3,477	3,434	20,750	4,207	4,264	4,225
14,800	2,744	2,805	2,762	17,800	3,467	3,524	3,484	20,800	4,255	4,312	4,273
14,850	2,791	2,852	2,809	17,850	3,515	3,572	3,532	20,850	4,303	4,360	4,321
14,900	2,839	2,899	2,856	17,900	3,562	3,619	3,579	20,900	4,351	4,408	4,371
14,950	2,886	2,947	2,904	17,950	3,610	3,667	3,626	20,950	4,399	4,456	4,417
15,000	2,934	3,005	2,962	18,000	3,657	3,714	3,676	21,000	4,447	4,504	4,467
15,050	2,981	3,053	3,010	18,050	3,705	3,762	3,724	21,050	4,495	4,552	4,515
15,100	3,029	3,100	3,057	18,100	3,752	3,809	3,768	21,100	4,543	4,600	4,563
15,150	3,076	3,147	3,104	18,150	3,800	3,857	3,816	21,150	4,591	4,648	4,611
15,200	3,124	3,195	3,152	18,200	3,847	3,904	3,863	21,200	4,639	4,696	4,659
15,250	3,171	3,242	3,199	18,250	3,895	3,952	3,911	21,250	4,687	4,744	4,707
15,300	3,219	3,290	3,247	18,300	3,942	4,000	3,959	21,300	4,735	4,792	4,755
15,350	3,266										

Continued on next page

This column must also be used by a qualifying widow(er)

1987 Tax Table—Continued

And you are—		If line 36 (taxable income) is—		And you are—		If line 36 (taxable income) is—		And you are—		If line 36 (taxable income) is—					
Single	Married filing jointly	At least this much	But less than	Single	Married filing jointly	At least this much	But less than	Single	Married filing jointly	At least this much	But less than				
Your tax is—		26,000		Your tax is—		29,000		Your tax is—		30,000					
23,000	23,000	4,604	3,357	26,000	26,000	5,311	3,784	5,654	4,127	30,000	30,000	6,013	4,367	6,704	5,037
23,000	23,000	4,621	3,371	26,050	26,050	5,319	3,788	5,661	4,131	30,050	30,050	6,018	4,371	6,710	5,041
23,000	23,000	4,638	3,385	26,100	26,100	5,045	3,799	5,689	4,225	30,100	30,100	6,048	4,395	6,735	5,065
23,000	23,000	4,654	3,399	26,150	26,150	5,073	3,806	5,706	4,239	30,150	30,150	6,065	4,409	6,756	5,079
23,000	23,000	4,671	3,413	26,200	26,200	5,087	3,814	5,724	4,253	30,200	30,200	6,083	4,423	6,774	5,093
23,000	23,000	4,688	3,427	26,250	26,250	5,101	3,821	5,741	4,267	30,250	30,250	6,100	4,437	6,791	5,107
23,000	23,000	4,705	3,441	26,300	26,300	5,115	3,828	5,758	4,281	30,300	30,300	6,118	4,451	6,808	5,121
23,000	23,000	4,722	3,455	26,350	26,350	5,129	3,836	5,776	4,295	30,350	30,350	6,135	4,465	6,826	5,135
23,000	23,000	4,739	3,469	26,400	26,400	5,143	3,844	5,794	4,309	30,400	30,400	6,153	4,479	6,844	5,149
23,000	23,000	4,756	3,483	26,450	26,450	5,157	3,851	5,811	4,323	30,450	30,450	6,170	4,493	6,861	5,163
23,000	23,000	4,773	3,497	26,500	26,500	5,171	3,859	5,829	4,337	30,500	30,500	6,188	4,507	6,879	5,177
23,000	23,000	4,790	3,511	26,550	26,550	5,185	3,866	5,846	4,351	30,550	30,550	6,205	4,521	6,896	5,191
23,000	23,000	4,807	3,525	26,600	26,600	5,199	3,874	5,864	4,365	30,600	30,600	6,223	4,535	6,914	5,205
23,000	23,000	4,824	3,539	26,650	26,650	5,213	3,882	5,882	4,379	30,650	30,650	6,240	4,549	6,932	5,219
23,000	23,000	4,841	3,553	26,700	26,700	5,227	3,889	5,899	4,393	30,700	30,700	6,258	4,563	6,950	5,233
23,000	23,000	4,858	3,567	26,750	26,750	5,241	3,896	5,916	4,407	30,750	30,750	6,275	4,577	6,968	5,247
23,000	23,000	4,875	3,581	26,800	26,800	5,255	3,904	5,934	4,421	30,800	30,800	6,293	4,591	6,986	5,261
23,000	23,000	4,892	3,595	26,850	26,850	5,269	3,911	5,951	4,435	30,850	30,850	6,310	4,605	7,001	5,275
23,000	23,000	4,909	3,609	26,900	26,900	5,283	3,919	5,969	4,449	30,900	30,900	6,328	4,619	7,019	5,289
23,000	23,000	4,926	3,623	26,950	26,950	5,297	3,926	5,986	4,463	30,950	30,950	6,345	4,633	7,036	5,303
24,000		27,000		28,000		29,000		30,000		31,000		32,000		33,000	
24,000	24,000	4,943	3,637	27,000	27,000	5,311	3,934	6,004	4,477	30,000	30,000	6,363	4,647	7,054	5,317
24,000	24,000	4,960	3,651	27,050	27,050	5,319	3,938	6,011	4,481	30,050	30,050	6,380	4,661	7,071	5,331
24,000	24,000	4,977	3,665	27,100	27,100	5,327	3,942	6,018	4,485	30,100	30,100	6,397	4,675	7,088	5,345
24,000	24,000	4,994	3,679	27,150	27,150	5,335	3,946	6,026	4,489	30,150	30,150	6,415	4,689	7,106	5,359
24,000	24,000	5,011	3,693	27,200	27,200	5,343	3,950	6,033	4,493	30,200	30,200	6,433	4,703	7,124	5,373
24,000	24,000	5,028	3,707	27,250	27,250	5,350	3,954	6,041	4,497	30,250	30,250	6,450	4,717	7,141	5,387
24,000	24,000	5,045	3,721	27,300	27,300	5,358	3,958	6,048	4,501	30,300	30,300	6,468	4,731	7,159	5,401
24,000	24,000	5,062	3,735	27,350	27,350	5,365	3,962	6,056	4,505	30,350	30,350	6,485	4,745	7,176	5,415
24,000	24,000	5,079	3,749	27,400	27,400	5,373	3,966	6,064	4,509	30,400	30,400	6,503	4,759	7,194	5,429
24,000	24,000	5,096	3,763	27,450	27,450	5,380	3,970	6,072	4,513	30,450	30,450	6,520	4,773	7,212	5,443
24,000	24,000	5,113	3,777	27,500	27,500	5,388	3,974	6,079	4,517	30,500	30,500	6,538	4,787	7,230	5,457
24,000	24,000	5,130	3,791	27,550	27,550	5,395	3,978	6,087	4,521	30,550	30,550	6,555	4,801	7,248	5,471
24,000	24,000	5,147	3,805	27,600	27,600	5,403	3,982	6,095	4,525	30,600	30,600	6,573	4,815	7,264	5,485
24,000	24,000	5,164	3,819	27,650	27,650	5,410	3,986	6,103	4,529	30,650	30,650	6,590	4,829	7,281	5,499
24,000	24,000	5,181	3,833	27,700	27,700	5,418	3,990	6,110	4,533	30,700	30,700	6,608	4,843	7,299	5,513
24,000	24,000	5,198	3,847	27,750	27,750	5,425	3,994	6,118	4,537	30,750	30,750	6,625	4,857	7,316	5,527
24,000	24,000	5,215	3,861	27,800	27,800	5,433	3,998	6,126	4,541	30,800	30,800	6,643	4,871	7,334	5,541
24,000	24,000	5,232	3,875	27,850	27,850	5,440	4,001	6,134	4,545	30,850	30,850	6,660	4,885	7,351	5,555
24,000	24,000	5,249	3,889	27,900	27,900	5,448	4,005	6,142	4,549	30,900	30,900	6,678	4,899	7,369	5,569
24,000	24,000	5,266	3,903	27,950	27,950	5,455	4,009	6,150	4,553	30,950	30,950	6,695	4,913	7,386	5,583
25,000		28,000		29,000		30,000		31,000		32,000		33,000		34,000	
25,000	25,000	5,304	3,917	28,000	28,000	5,663	4,087	6,354	4,571	31,000	31,000	6,713	4,927	7,404	5,597
25,000	25,000	5,321	3,931	28,050	28,050	5,680	4,091	6,361	4,575	31,050	31,050	6,730	4,941	7,421	5,611
25,000	25,000	5,338	3,945	28,100	28,100	5,698	4,115	6,369	4,585	31,100	31,100	6,748	4,955	7,439	5,625
25,000	25,000	5,355	3,959	28,150	28,150	5,715	4,129	6,376	4,589	31,150	31,150	6,765	4,969	7,456	5,639
25,000	25,000	5,372	3,973	28,200	28,200	5,733	4,143	6,384	4,593	31,200	31,200	6,783	4,983	7,474	5,653
25,000	25,000	5,389	3,987	28,250	28,250	5,750	4,147	6,392	4,597	31,250	31,250	6,800	4,997	7,491	5,667
25,000	25,000	5,406	4,001	28,300	28,300	5,768	4,171	6,400	4,611	31,300	31,300	6,818	5,011	7,509	5,681
25,000	25,000	5,423	4,015	28,350	28,350	5,785	4,185	6,408	4,615	31,350	31,350	6,835	5,025	7,526	5,695
25,000	25,000	5,440	4,029	28,400	28,400	5,803	4,189	6,416	4,619	31,400	31,400	6,853	5,039	7,544	5,709
25,000	25,000	5,457	4,043	28,450	28,450	5,820	4,213	6,424	4,623	31,450	31,450	6,870	5,053	7,561	5,723
25,000	25,000	5,474	4,057	28,500	28,500	5,838	4,217	6,432	4,627	31,500	31,500	6,888	5,067	7,579	5,737
25,000	25,000	5,491	4,071	28,550	28,550	5,855	4,241	6,440	4,631	31,550	31,550	6,905	5,081	7,596	5,751
25,000	25,000	5,508	4,085	28,600	28,600	5,873	4,255	6,448	4,635	31,600	31,600	6,923	5,095	7,614	5,765
25,000	25,000	5,525	4,099	28,650	28,650	5,890	4,279	6,456	4,639	31,650	31,650	6,940	5,109	7,631	5,779
25,000	25,000	5,542	4,113	28,700	28,700	5,908	4,283	6,464	4,643	31,700	31,700	6,958	5,123	7,649	5,793
25,000	25,000	5,559	4,127	28,750	28,750	5,925	4,297	6,472	4,647	31,750	31,750	6,975	5,137	7,666	5,807
25,000	25,000	5,576	4,141	28,800	28,800	5,943	4,311	6,480	4,651	31,800	31,800	6,993	5,151	7,684	5,821
25,000	25,000	5,593	4,155	28,850	28,850	5,960	4,335	6,488	4,655	31,850	31,850	7,010	5,165	7,701	5,835
25,000	25,000	5,610	4,169	28,900	28,900	5,978	4,349	6,496	4,659	31,900	31,900	7,028	5,179	7,719	5,849
25,000	25,000	5,627	4,183	28,950	28,950	5,995	4,353	6,504	4,663	31,950	31,950	7,045	5,193	7,736	5,863

Worksheet: Form 990 (2019) Page 1

This column must also be used by a qualifying widow(er)

If line 36 (income) is—		And you are—		If line 36 (income) is—		And you are—		If line 36 (income) is—		And you are—	
At least	But less than	Single	Married jointly	Head of household	Married separately	At least	But less than	Single	Married jointly	Head of household	Married separately
Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—		Your tax is—	
41,000	41,950	10,213	7,277	8,994	8,659	44,000	44,450	11,753	8,567	11,954	11,619
41,950	41,950	10,240	7,741	9,031	8,626	44,450	44,450	11,780	8,581	11,981	11,644
41,950	41,950	10,268	7,755	9,039	8,624	44,450	44,450	11,798	8,595	11,989	11,648
41,950	41,950	10,295	7,769	9,066	8,649	44,450	44,450	11,821	8,609	12,023	11,677
41,950	41,950	10,323	7,783	9,094	8,679	44,450	44,450	11,843	8,623	12,024	11,679
41,950	41,950	10,350	7,797	9,109	8,694	44,450	44,450	11,866	8,637	12,051	11,694
41,950	41,950	10,378	7,811	9,136	8,719	44,450	44,450	11,889	8,651	12,078	11,711
41,950	41,950	10,405	7,825	9,162	8,741	44,450	44,450	11,912	8,665	12,076	11,713
41,950	41,950	10,433	7,839	9,144	8,749	44,450	44,450	11,935	8,679	12,094	11,731
41,950	41,950	10,460	7,853	9,161	8,766	44,450	44,450	11,958	8,693	12,112	11,749
41,950	41,950	10,488	7,867	9,179	8,784	44,450	44,450	11,981	8,707	12,129	11,767
41,950	41,950	10,515	7,881	9,196	8,801	44,450	44,450	12,004	8,721	12,146	11,784
41,950	41,950	10,543	7,895	9,114	8,819	44,450	44,450	12,027	8,735	12,164	11,802
41,950	41,950	10,570	7,909	9,131	8,836	44,450	44,450	12,050	8,749	12,181	11,819
41,950	41,950	10,598	7,923	9,149	8,854	44,450	44,450	12,073	8,763	12,199	11,837
41,950	41,950	10,625	7,937	9,166	8,871	44,450	44,450	12,096	8,777	12,216	11,854
41,950	41,950	10,653	7,951	9,184	8,889	44,450	44,450	12,119	8,791	12,234	11,872
41,950	41,950	10,680	7,965	9,201	8,906	44,450	44,450	12,142	8,805	12,251	11,889
41,950	41,950	10,708	7,979	9,219	8,924	44,450	44,450	12,165	8,819	12,269	11,907
41,950	41,950	10,735	7,993	9,236	8,941	44,450	44,450	12,188	8,833	12,286	11,924
41,950	41,950	10,763	8,007	9,254	8,959	44,450	44,450	12,211	8,847	12,303	11,941
41,950	41,950	10,790	8,021	9,271	8,976	44,450	44,450	12,234	8,861	12,320	11,958
41,950	41,950	10,818	8,035	9,289	8,994	44,450	44,450	12,257	8,875	12,337	11,975
41,950	41,950	10,845	8,049	9,306	9,011	44,450	44,450	12,280	8,889	12,354	11,992
41,950	41,950	10,873	8,063	9,324	9,029	44,450	44,450	12,303	8,903	12,371	12,009
41,950	41,950	10,900	8,077	9,341	9,046	44,450	44,450	12,326	8,917	12,388	12,026
41,950	41,950	10,928	8,091	9,359	9,064	44,450	44,450	12,349	8,931	12,405	12,043
41,950	41,950	10,955	8,105	9,376	9,081	44,450	44,450	12,372	8,945	12,422	12,060
41,950	41,950	10,983	8,119	9,394	9,099	44,450	44,450	12,395	8,959	12,439	12,077
41,950	41,950	11,010	8,133	9,411	9,116	44,450	44,450	12,418	8,973	12,456	12,094
41,950	41,950	11,038	8,147	9,429	9,134	44,450	44,450	12,441	8,987	12,473	12,111
41,950	41,950	11,065	8,161	9,446	9,151	44,450	44,450	12,464	8,999	12,490	12,128
41,950	41,950	11,093	8,175	9,464	9,169	44,450	44,450	12,487	9,013	12,507	12,145
41,950	41,950	11,120	8,189	9,481	9,186	44,450	44,450	12,510	9,027	12,524	12,162
41,950	41,950	11,148	8,203	9,498	9,204	44,450	44,450	12,533	9,041	12,541	12,179
41,950	41,950	11,175	8,217	9,516	9,221	44,450	44,450	12,556	9,055	12,558	12,196
41,950	41,950	11,203	8,231	9,534	9,239	44,450	44,450	12,579	9,069	12,575	12,213
41,950	41,950	11,230	8,245	9,551	9,256	44,450	44,450	12,602	9,083	12,592	12,230
41,950	41,950	11,258	8,259	9,569	9,273	44,450	44,450	12,625	9,097	12,609	12,247
41,950	41,950	11,285	8,273	9,586	9,291	44,450	44,450	12,648	9,111	12,626	12,264
41,950	41,950	11,313	8,287	9,604	9,309	44,450	44,450	12,671	9,125	12,643	12,281
41,950	41,950	11,340	8,301	9,621	9,326	44,450	44,450	12,694	9,139	12,660	12,298
41,950	41,950	11,368	8,315	9,639	9,344	44,450	44,450	12,717	9,153	12,677	12,315
41,950	41,950	11,395	8,329	9,656	9,361	44,450	44,450	12,740	9,167	12,694	12,332
41,950	41,950	11,423	8,343	9,674	9,379	44,450	44,450	12,763	9,181	12,711	12,349
41,950	41,950	11,450	8,357	9,691	9,396	44,450	44,450	12,786	9,195	12,728	12,366
41,950	41,950	11,478	8,371	9,709	9,414	44,450	44,450	12,809	9,209	12,745	12,383
41,950	41,950	11,505	8,385	9,726	9,431	44,450	44,450	12,832	9,223	12,762	12,400
41,950	41,950	11,533	8,399	9,744	9,449	44,450	44,450	12,855	9,237	12,779	12,417
41,950	41,950	11,560	8,413	9,761	9,466	44,450	44,450	12,878	9,251	12,796	12,434
41,950	41,950	11,588	8,427	9,779	9,483	44,450	44,450	12,901	9,265	12,813	12,451
41,950	41,950	11,615	8,441	9,796	9,501	44,450	44,450	12,924	9,279	12,830	12,468
41,950	41,950	11,643	8,455	9,814	9,518	44,450	44,450	12,947	9,293	12,847	12,485
41,950	41,950	11,670	8,469	9,831	9,536	44,450	44,450	12,970	9,307	12,864	12,502
41,950	41,950	11,698	8,483	9,849	9,554	44,450	44,450	12,993	9,321	12,881	12,519
41,950	41,950	11,725	8,497	9,866	9,571	44,450	44,450	13,016	9,335	12,898	12,536
41,950	41,950	11,753	8,511	9,884	9,589	44,450	44,450	13,039	9,349	12,915	12,553
41,950	41,950	11,780	8,525	9,901	9,606	44,450	44,450	13,062	9,363	12,932	12,570
41,950	41,950	11,808	8,539	9,919	9,624	44,450	44,450	13,085	9,377	12,949	12,587
41,950	41,950	11,835	8,553	9,936	9,641	44,450	44,450	13,108	9,391	12,966	12,604
41,950	41,950	11,863	8,567	9,954	9,659	44,450	44,450	13,131	9,405	12,983	12,621
41,950	41,950	11,890	8,581	9,971	9,676	44,450	44,450	13,154	9,419	13,000	12,638
41,950	41,950	11,918	8,595	9,989	9,694	44,450	44,450	13,177	9,433	13,017	12,655
41,950	41,950	11,945	8,609	10,006	9,711	44,450	44,450	13,200	9,447	13,034	12,672
41,950	41,950	11,973	8,623	10,024	9,729	44,450	44,450	13,223	9,461	13,051	12,689
41,950	41,950	11,999	8,637	10,041	9,746	44,450	44,450	13,246	9,475	13,068	12,706
41,950	41,950	12,027	8,651	10,059	9,764	44,450	44,450	13,269	9,489	13,085	12,723
41,950	41,950	12,053	8,665	10,076	9,781	44,450	44,450	13,292	9,503	13,102	12,740
41,950	41,950	12,080	8,679	10,094	9,800	44,450	44,450	13,315	9,517	13,119	12,757
41,950	41,950	12,106	8,693	10,111	9,817	44,450	44,450	13,338	9,531	13,136	12,774
41,950	41,950	12,133	8,707	10,129	9,834	44,450	44,450	13,361	9,545	13,153	12,791
41,950	41,950	12,159	8,721	10,146	9,851	44,450	44,450	13,384	9,559	13,170	12,808
41,950	41,950	12,186	8,735	10,164	9,868	44,450	44,450	13,407	9,573	13,187	12,825
41,950	41,950	12,212	8,749	10,181	9,885	44,450	44,450	13,430	9,587	13,204	12,842
41,950	41,950	12,239	8,763	10,199	9,902	44,450	44,450	13,453	9,601	13,221	12,859
41,950	41,950	12,265	8,777	10,216	9,919	44,450	44,450	13,476	9,615	13,238	12,876
41,950	41,950	12,292	8,791	10,234	9,936	44,450	44,450	13,499	9,629	13,255	12,893
41,950	41,950	12,318	8,805	10,251	9,953	44,450	44,450	13,522	9,643	13,272	12,910
41,950	41,950	12,345	8,819	10,269	9,970	44,450	44,450	13,545	9,657	13,289	12,927
41,950	41,950	12,371	8,833	10,286	9,987	44,450	44,450	13,568	9,671	13,306	12,944
41,950	41,950	12,398	8,847	10,304	10,004	44,450	44,450	13,591	9,685	13,323	12,961
41,950	41,950	12,424	8,861	10,321	10,021	44,450	44,450	13,614	9,699	13,340	12,978
41,950	41,950	12,451	8,875	10,339	10,038	44,450	44,450	13,637	9,713	13,357	12,995
41,950	41,950	12,477	8,889	10,356	10,055	44,450	44,450	13,660	9,727	13,374	13,012
41,950	41,950	12,504	8,903	10,374	10,072	44,450	44,450	13,683	9,741	13,391	13,029
41,950	41,950	12,530	8,917	10,391	10,089	44,450	44,450	13,706	9,755	13,408	13,046
41,950	41,950	12,557	8,931	10,409	10,106	44,450	44,450	13,729	9,769	13,425	13,063
41,950	41,950	12,583	8,945	10,426	10,123	44,450	44,450	13,752	9,783	13,442	13,080
41,950	41,950	12,610	8,959	10,444	10,140	44,450	44,450	13,775	9,797	13,459	13,097
41,950	41,950	12,636	8,973	10,461	10,157	44,450	44,450	13,798	9,811	13,476	13,114
41,950	41,950	12,663	8,987	10,479	10,174	44,450	44,450	13,821	9,825	13,493	13,131
41,950	41,950	12,689	8,999	10,496	10,191						

- This column must also be used by a qualifying widow(er)

Tele-Tax

Automated Refund Information is available after March 15. If it has been 10 weeks since you mailed your 1987 tax return, we will be able to check the status of your refund.

Recorded Tax Information has about 150 topics of tax information that answer many Federal tax questions and a topic for tax information such as the location of volunteer tax assistance sites (VITA and TCE). You can hear up to three topics on each call you make.

To Call Tele-Tax Toll-Free, Use Only the Numbers Listed Below for Your Area.

Long distance charges apply if you call from outside the local dialing area of the numbers listed below. **Do not dial 800 when using a local number.** A complete list of these topics is on the next page.

How To Use Tele-Tax

Automated Refund Information

1 Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the exact amount of your refund.

2 Call the appropriate phone number listed below.

3 Follow the recorded instructions.

4 Push button (tone signaling) service is available Monday through Friday from 6:30 A.M. to 6 P.M. (Hours may vary in your area.)

• Rotary (dial)/push button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Recorded Tax Information

1 Select, by number, the topic you wish to hear.

2 Have paper and pencil handy to take notes.

3 Call the appropriate phone number listed below.

4 If you have a push-button (tone signaling) phone, follow the recorded instructions, or

• If you have a rotary (dial) or push-button (pulse dial) phone, ask the IRS operator for the topic number you want to hear.

5 Push-button (tone signaling) service is available 24 hours a day, 7 days a week.

• Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

INDIANA

Indianapolis, 634 1550
Elsewhere, 1 800 554 4477

NORTH CAROLINA

1 800 554 4477

NORTH DAKOTA

1 800 554 4477

OHIO

Cincinnati, 421 0329
Cleveland, 522 3037
Elsewhere, 1 800 554 4477

OKLAHOMA

1 800 554 4477

OREGON

Portland, 294 5363
Elsewhere, 1 800 554 4477

PENNSYLVANIA

Philadelphia, 592 8946
Pittsburgh, 281 3120
Elsewhere, 1 800 554 4477

RHODE ISLAND

1 800 554 4477

SOUTH CAROLINA

1 800 554 4477

SOUTH DAKOTA

1 800 554 4477

TENNESSEE

Nashville, 242 1541
Elsewhere, 1 800 554 4477

TEXAS

Dallas, 762 1792
Houston, 850 8801
Elsewhere, 1 800 554 4477

UTAH

1 800 554 4477

VERMONT

1 800 554 4477

VIRGINIA

Richmond, 771 2369
Elsewhere, 1 800 554 4477

WASHINGTON

Seattle, 343 7221
Elsewhere, 1 800 554 4477

WEST VIRGINIA

1 800 554 4477

WISCONSIN

Milwaukee, 291 1783
Elsewhere, 1 800 554 4477

WYOMING

1 800 554 4477

INDIANA

Indianapolis, 634 1550
Elsewhere, 1 800 554 4477

IOWA

1 800 554 4477

KANSAS

1 800 554 4477

KENTUCKY

1 800 554 4477

LOUISIANA

1 800 554 4477

MAINE

1 800 554 4477

MARYLAND

Baltimore, 244 7305
Elsewhere, 1 800 554 4477

MASSACHUSETTS

Boston, 523 8602
Elsewhere, 1 800 554 4477

MICHIGAN

Detroit, 964 4282
Elsewhere, 1 800 554 4477

MINNESOTA

St. Paul, 224 4288
Elsewhere, 1 800 554 4477

MISSISSIPPI

1 800 554 4477

MISSOURI

St. Louis, 241 4700
Elsewhere, 1 800 554 4477

MONTANA

1 800 554 4477

NEBRASKA

Omaha, 221 3324
Elsewhere, 1 800 554 4477

NEVADA

1 800 554 4477

NEW HAMPSHIRE

1 800 554 4477

NEW JERSEY

Newark, 624 1223
Elsewhere, 1 800 554 4477

NEW MEXICO

Albuquerque, 331 6572
Elsewhere, 1 800 554 4477

NEW YORK

1 800 554 4477

FLORIDA

Jacksonville, 353 9579
Elsewhere, 1 800 554 4477

GEORGIA

Atlanta, 592 1118
Elsewhere, 1 800 554 4477

CONNECTICUT

Phonix, 252 4909
Elsewhere, 1 800 554 4477

DELAWARE

1 800 554 4477

DISTRICT OF COLUMBIA

628 2929

ILLINOIS

Chicago, 829 6307
Springfield, 785 0489
Elsewhere, 1 800 554 4477

ALABAMA

1 800 554 4477

ALASKA

1 800 554 4477

ARIZONA

Phoenix, 252 4909
Elsewhere, 1 800 554 4477

ARKANSAS

1 800 554 4477

CALIFORNIA

Claiborne, Contra Costa, Fresno, San Joaquin, Santa Clara, Stanislaus, Tulare, Yuba, 1 800 426 4032

1987 Earned Income Credit Table—Continued

If line 3 or 4 of the worksheet is—		Your earned income is—		If line 3 or 4 of the worksheet is—		Your earned income is—		If line 3 or 4 of the worksheet is—		Your earned income is—		If line 3 or 4 of the worksheet is—		Your earned income is—	
At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than	At least	But less than
8,825	8,850	8,875	8,900	8,925	8,950	8,975	9,000	9,025	9,050	9,075	9,100	9,125	9,150	9,175	9,200
10,250	10,275	10,300	10,325	10,350	10,375	10,400	10,425	10,450	10,475	10,500	10,525	10,550	10,575	10,600	10,625
10,650	10,675	10,700	10,725	10,750	10,775	10,800	10,825	10,850	10,875	10,900	10,925	10,950	10,975	11,000	11,025
11,050	11,075	11,100	11,125	11,150	11,175	11,200	11,225	11,250	11,275	11,300	11,325	11,350	11,375	11,400	11,425
11,450	11,475	11,500	11,525	11,550	11,575	11,600	11,625	11,650	11,675	11,700	11,725	11,750	11,775	11,800	11,825
11,850	11,875	11,900	11,925	11,950	11,975	12,000	12,025	12,050	12,075	12,100	12,125	12,150	12,175	12,200	12,225
12,250	12,275	12,300	12,325	12,350	12,375	12,400	12,425	12,450	12,475	12,500	12,525	12,550	12,575	12,600	12,625
12,650	12,675	12,700	12,725	12,750	12,775	12,800	12,825	12,850	12,875	12,900	12,925	12,950	12,975	13,000	13,025
13,050	13,075	13,100	13,125	13,150	13,175	13,200	13,225	13,250	13,275	13,300	13,325	13,350	13,375	13,400	13,425
13,450	13,475	13,500	13,525	13,550	13,575	13,600	13,625	13,650	13,675	13,700	13,725	13,750	13,775	13,800	13,825
13,850	13,875	13,900	13,925	13,950	13,975	14,000	14,025	14,050	14,075	14,100	14,125	14,150	14,175	14,200	14,225
14,250	14,275	14,300	14,325	14,350	14,375	14,400	14,425	14,450	14,475	14,500	14,525	14,550	14,575	14,600	14,625
14,650	14,675	14,700	14,725	14,750	14,775	14,800	14,825	14,850	14,875	14,900	14,925	14,950	14,975	15,000	15,025
15,050	15,075	15,100	15,125	15,150	15,175	15,200	15,225	15,250	15,275	15,300	15,325	15,350	15,375	15,400	15,425
15,450	15,475	15,500	15,525	15,550	15,575	15,600	15,625	15,650	15,675	15,700	15,725	15,750	15,775	15,800	15,825
15,850	15,875	15,900	15,925	15,950	15,975	16,000	16,025	16,050	16,075	16,100	16,125	16,150	16,175	16,200	16,225
16,250	16,275	16,300	16,325	16,350	16,375	16,400	16,425	16,450	16,475	16,500	16,525	16,550	16,575	16,600	16,625
16,650	16,675	16,700	16,725	16,750	16,775	16,800	16,825	16,850	16,875	16,900	16,925	16,950	16,975	17,000	17,025
17,050	17,075	17,100	17,125	17,150	17,175	17,200	17,225	17,250	17,275	17,300	17,325	17,350	17,375	17,400	17,425
17,450	17,475	17,500	17,525	17,550	17,575	17,600	17,625	17,650	17,675	17,700	17,725	17,750	17,775	17,800	17,825
17,850	17,875	17,900	17,925	17,950	17,975	18,000	18,025	18,050	18,075	18,100	18,125	18,150	18,175	18,200	18,225
18,250	18,275	18,300	18,325	18,350	18,375	18,400	18,425	18,450	18,475	18,500	18,525	18,550	18,575	18,600	18,625
18,650	18,675	18,700	18,725	18,750	18,775	18,800	18,825	18,850	18,875	18,900	18,925	18,950	18,975	19,000	19,025
19,050	19,075	19,100	19,125	19,150	19,175	19,200	19,225	19,250	19,275	19,300	19,325	19,350	19,375	19,400	19,425
19,450	19,475	19,500	19,525	19,550	19,575	19,600	19,625	19,650	19,675	19,700	19,725	19,750	19,775	19,800	19,825
19,850	19,875	19,900	19,925	19,950	19,975	20,000	20,025	20,050	20,075	20,100	20,125	20,150	20,175	20,200	20,225
20,250	20,275	20,300	20,325	20,350	20,375	20,400	20,425	20,450	20,475	20,500	20,525	20,550	20,575	20,	

Tele-Tax Topic Numbers and Subjects

Topic No	Subject	Topic No	Subject	Topic No	Subject
101	IRS procedures and services	251	Adjustments to income	551	Subject
102	IRS procedures and services	252	Employee-business expenses	552	Subject
103	IRS procedures and services	253	Individual retirement arrangements (IRAs)	553	Subject
104	IRS procedures and services	254	Individual retirement arrangements (IRAs)	554	Subject
105	IRS procedures and services	255	Individual retirement arrangements (IRAs)	555	Subject
106	IRS procedures and services	256	Individual retirement arrangements (IRAs)	556	Subject
107	IRS procedures and services	257	Individual retirement arrangements (IRAs)	557	Subject
108	IRS procedures and services	258	Individual retirement arrangements (IRAs)	558	Subject
109	IRS procedures and services	259	Individual retirement arrangements (IRAs)	559	Subject
110	IRS procedures and services	260	Individual retirement arrangements (IRAs)	560	Subject
111	IRS procedures and services	261	Individual retirement arrangements (IRAs)	561	Subject
112	IRS procedures and services	262	Individual retirement arrangements (IRAs)	562	Subject
113	IRS procedures and services	263	Individual retirement arrangements (IRAs)	563	Subject
114	IRS procedures and services	264	Individual retirement arrangements (IRAs)	564	Subject
115	IRS procedures and services	265	Individual retirement arrangements (IRAs)	565	Subject
116	IRS procedures and services	266	Individual retirement arrangements (IRAs)	566	Subject
117	IRS procedures and services	267	Individual retirement arrangements (IRAs)	567	Subject
118	IRS procedures and services	268	Individual retirement arrangements (IRAs)	568	Subject
119	IRS procedures and services	269	Individual retirement arrangements (IRAs)	569	Subject
120	IRS procedures and services	270	Individual retirement arrangements (IRAs)	570	Subject
121	IRS procedures and services	271	Individual retirement arrangements (IRAs)	571	Subject
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129	IRS procedures and services	279	Individual retirement arrangements (IRAs)	579	Subject
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132	IRS procedures and services	282	Individual retirement arrangements (IRAs)	582	Subject
133	IRS procedures and services	283	Individual retirement arrangements (IRAs)	583	Subject
134	IRS procedures and services	284	Individual retirement arrangements (IRAs)	584	Subject
135	IRS procedures and services	285	Individual retirement arrangements (IRAs)	585	Subject
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137	IRS procedures and services	287	Individual retirement arrangements (IRAs)	587	Subject
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148	IRS procedures and services	298	Individual retirement arrangements (IRAs)	598	Subject
149	IRS procedures and services	299	Individual retirement arrangements (IRAs)	599	Subject
150	IRS procedures and services	300	Individual retirement arrangements (IRAs)	600	Subject
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161	IRS procedures and services	311	Individual retirement arrangements (IRAs)	611	Subject
162	IRS procedures and services	312	Individual retirement arrangements (IRAs)	612	Subject
163	IRS procedures and services	313	Individual retirement arrangements (IRAs)	613	Subject
164	IRS procedures and services	314	Individual retirement arrangements (IRAs)	614	Subject
165	IRS procedures and services	315	Individual retirement arrangements (IRAs)	615	Subject
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181	IRS procedures and services	331	Individual retirement arrangements (IRAs)	631	Subject
182	IRS procedures and services	332	Individual retirement arrangements (IRAs)	632	Subject
183	IRS procedures and services	333	Individual retirement arrangements (IRAs)	633	Subject
184	IRS procedures and services	334	Individual retirement arrangements (IRAs)	634	Subject
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189	IRS procedures and services	339	Individual retirement arrangements (IRAs)	639	Subject
190	IRS procedures and services	340	Individual retirement arrangements (IRAs)	640	Subject
191	IRS procedures and services	341	Individual retirement arrangements (IRAs)	641	Subject
192	IRS procedures and services	342	Individual retirement arrangements (IRAs)	642	Subject
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194	IRS procedures and services	344	Individual retirement arrangements (IRAs)	644	Subject
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196	IRS procedures and services	346	Individual retirement arrangements (IRAs)	646	Subject
197	IRS procedures and services	347	Individual retirement arrangements (IRAs)	647	Subject
198	IRS procedures and services	348	Individual retirement arrangements (IRAs)	648	Subject
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214	IRS procedures and services	364	Individual retirement arrangements (IRAs)	664	Subject
215	IRS procedures and services	365	Individual retirement arrangements (IRAs)	665	Subject
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218	IRS procedures and services	368	Individual retirement arrangements (IRAs)	668	Subject
219	IRS procedures and services	369	Individual retirement arrangements (IRAs)	669	Subject
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221	IRS procedures and services	371	Individual retirement arrangements (IRAs)	671	Subject
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224	IRS procedures and services	374	Individual retirement arrangements (IRAs)	674	Subject
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233	IRS procedures and services	383	Individual retirement arrangements (IRAs)	683	Subject
234	IRS procedures and services	384	Individual retirement arrangements (IRAs)	684	Subject
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242	IRS procedures and services	392	Individual retirement arrangements (IRAs)	692	Subject
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244	IRS procedures and services	394	Individual retirement arrangements (IRAs)	694	Subject
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246	IRS procedures and services	396	Individual retirement arrangements (IRAs)	696	Subject
247	IRS procedures and services	397	Individual retirement arrangements (IRAs)	697	Subject
248	IRS procedures and services	398	Individual retirement arrangements (IRAs)	698	Subject
249	IRS procedures and services	399	Individual retirement arrangements (IRAs)	699	Subject
250	IRS procedures and services	400	Individual retirement arrangements (IRAs)	700	Subject

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To Call IRS Toll-Free for Answers to Your Federal Tax Questions. Use Only the Number Listed Below for Your Area.

Toll-free is a telephone call for which you pay only local charges with no distance charge. Please use a local city number only if it is not a long-distance call. Do not dial 800 when using a local city number.

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

To make sure that IRS employees give courteous responses and correct information to taxpayers, a second IRS employee sometimes listens in on telephone calls. No record is kept of any taxpayer's name, address, or social security number.

If you find it necessary to write instead of call, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

The IRS has a telephone service called Tele-Tax. It provides automated refund information and recorded tax information on about 150 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push button (tone signaling) telephones, and Monday through Friday, during office hours, to taxpayers using push button (pulse dial) or rotary (dial) phones. See Tele-Tax information in the index for the page numbers that contain telephone numbers, available topics, and instructions describing how to use this service.

MISSOURI St. Louis 342 1040 Elsewhere 1 800 424 1040	SOUTH CAROLINA 1 800 424 1040
MONTANA 1 800 424 1040	SOUTH DAKOTA 1 800 424 1040
NEBRASKA Lincoln 423 1500 Elsewhere 1 800 424 1040	TENNESSEE Nashville 259 4601 Elsewhere 1 800 424 1040
NEVADA 1 800 424 1040	TEXAS Dallas 742 2440 El Paso 532 6116 Fort Worth 263 9229 Houston 424 1000 San Antonio 424 1040 Elsewhere 1 800 424 1040
NEW HAMPSHIRE 1 800 424 1040	UTAH Salt Lake City 424 1040 Elsewhere 1 800 424 1040
NEW JERSEY Newark 424 1040 Elsewhere 1 800 424 1040	VERMONT 1 800 424 1040
NEW MEXICO 1 800 424 1040	VIRGINIA Richmond 424 1040 Baltimore 522 3000 Buffalo 855 3955 Manassas 732 0100 Massachusetts 522 3000 New York 424 1040 Rockland County 947 1510 Spokane Island 596 3770 Washington County 997 1510 Elsewhere 1 800 424 1040
NORTH CAROLINA 1 800 424 1040	WASHINGTON Seattle 442 1040 Elsewhere 1 800 424 1040
NORTH DAKOTA 1 800 424 1040	WEST VIRGINIA 1 800 424 1040
OHIO 1 800 424 1040	WISCONSIN Milwaukee 271 2780 Elsewhere 1 800 424 1040
OKLAHOMA Oklahoma City 424 1040	WYOMING 1 800 424 1040
OREGON Portland 221 3960 Elsewhere 1 800 424 1040	Telephone Assistance Services for Oral Access to TV, Telephone—TTY Indiana residents: 1 800 382 4059 Elsewhere in U.S. including Alaska, Hawaii, Virgin Islands: 1 800 428 4732 Hours of operation: 8:00 A.M. to 4:45 P.M. EST (Jan. 1-April 15) 8:00 A.M. to 3:00 P.M. EST (April 16-Dec. 31)

Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local bank or post office for Forms 1040, 1040EZ, and Schedules A&B and their related instructions
- Visit your local library that stocks a wider variety of forms and publications
- Visit your local IRS office
- Use the handy order blank on the next to the last page of the instructions. You should receive the items you order within 2 weeks of the time you mail your request
- Call our toll-free "Forms Only" number (1-800-424-FORM (3676)). The hours of operation during the filing season are 8:00 A.M. to 8:00 P.M. (Monday-Friday) and 9:00 A.M. to 3:00 P.M. (Saturdays). You should receive your order within 7 to 10 work days after you call

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Notes

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see list of related publications.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than \$400, for dividends and other distributions on stock if more than \$400, and for answering the Foreign Accounts or Foreign Trusts questions

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:

Schedule C, Profit or (Loss) From Business or Profession
Schedule D, Capital Gains and Losses and Reconciliation of Forms 1099-B

Schedule E, Supplemental Income Schedule

Schedule F, Farm Income and Expenses

Schedule R, Credit for the Elderly or for the Permanently and Totally Disabled

Schedule SE, Computation of Social Security Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale or Exchange of Principal Residence

Form 2210, Underpayment of Estimated Tax by Individuals

Form 2441, Credit for Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4136, Computation of Credit for Federal Tax on Gasoline and Special Fuels

Form 4562, Depreciation and Amortization

Form 4684, Casualties and Thefts

Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 5695, Residential Energy Credit Carryforward

Form 6251, Alternative Minimum Tax—Individuals

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8598, Home Mortgage Interest

Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000

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How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

17 Your Federal Income Tax

54 Tax Guide for U.S. Citizens and Resident Aliens Abroad

334 Tax Guide for Small Business

463 Travel, Entertainment, and Gift Expenses

501 Exemptions and Standard Deduction

502 Medical and Dental Expenses

503 Child and Dependent Care Credit, and Employment Taxes for Household Employers

504 Tax Information for Divorced or Separated Individuals

505 Tax Withholding and Estimated Tax

508 Educational Expenses

521 Moving Expenses

523 Tax Information on Selling Your Home

524 Credit for the Elderly or for the Permanently and Totally Disabled

525 Taxable and Nontaxable Income

526 Charitable Contributions

527 Rental Property

529 Miscellaneous Deductions

530 Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments

531 Reporting Income From Tips

533 Self-Employment Tax

545 Interest Expense

547 Nonbusiness Disasters, Casualties, and Thefts

550 Investment Income and Expenses

552 Recordkeeping for Individuals and a List of Tax Publications

553 Highlights of 1987 Tax Changes

554 Tax Information for Older Americans

575 Pension and Annuity Income

583 Information for Business Taxpayers

587 Business Use of Your Home

590 Individual Retirement Arrangements (IRAs)

596 Earned Income Credit

907 Tax Information for Handicapped and Disabled Individuals

910 Guide to Free Tax Services

915 Social Security Benefits and Equivalent Railroad Retirement Benefits

917 Business Use of a Car

920 Explanation of the Tax Reform Act of 1986 for Individuals

921 Explanation of the Tax Reform Act of 1986 for Business

929 Tax Rules for Children and Dependents

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state. See Publication 910 for a complete list of available publications.

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Where To Send Your Order for Free Forms and Publications

Please send your order to the Forms Distribution Center for your state

- Alabama—P.O. Box 9903, Bloomington, IL 61799
- Alaska—P.O. Box 12626, Fresno, CA 93778
- Arizona—P.O. Box 12626, Fresno, CA 93778
- Arkansas—P.O. Box 9903, Bloomington, IL 61799
- California—P.O. Box 12626, Fresno, CA 93778
- Colorado—P.O. Box 12626, Fresno, CA 93778
- Connecticut—P.O. Box 25866, Richmond, VA 23260
- Delaware—P.O. Box 25866, Richmond, VA 23260
- District of Columbia—P.O. Box 25866, Richmond, VA 23260
- Florida—P.O. Box 25866, Richmond, VA 23260
- Georgia—P.O. Box 25866, Richmond, VA 23260
- Hawaii—P.O. Box 12626, Fresno, CA 93778
- Idaho—P.O. Box 12626, Fresno, CA 93778
- Illinois—P.O. Box 9903, Bloomington, IL 61799
- Indiana—P.O. Box 9903, Bloomington, IL 61799
- Iowa—P.O. Box 9903, Bloomington, IL 61799
- Kansas—P.O. Box 9903, Bloomington, IL 61799
- Kentucky—P.O. Box 9903, Bloomington, IL 61799
- Louisiana—P.O. Box 9903, Bloomington, IL 61799
- Maine—P.O. Box 25866, Richmond, VA 23260
- Maryland—P.O. Box 25866, Richmond, VA 23260
- Massachusetts—P.O. Box 25866, Richmond, VA 23260
- Michigan—P.O. Box 9903, Bloomington, IL 61799
- Minnesota—P.O. Box 9903, Bloomington, IL 61799
- Mississippi—P.O. Box 9903, Bloomington, IL 61799
- Missouri—P.O. Box 9903, Bloomington, IL 61799
- Montana—P.O. Box 12626, Fresno, CA 93778
- Nebraska—P.O. Box 9903, Bloomington, IL 61799
- Nevada—P.O. Box 12626, Fresno, CA 93778
- New Hampshire—P.O. Box 25866, Richmond, VA 23260

- New Jersey—P.O. Box 25866, Richmond, VA 23260
- New Mexico—P.O. Box 12626, Fresno, CA 93778
- New York—P.O. Box 25866, Richmond, VA 23260
- North Carolina—P.O. Box 25866, Richmond, VA 23260
- North Dakota—P.O. Box 9903, Bloomington, IL 61799
- Ohio—P.O. Box 9903, Bloomington, IL 61799
- Oklahoma—P.O. Box 9903, Bloomington, IL 61799
- Oregon—P.O. Box 12626, Fresno, CA 93778
- Pennsylvania—P.O. Box 25866, Richmond, VA 23260
- Rhode Island—P.O. Box 25866, Richmond, VA 23260
- South Carolina—P.O. Box 25866, Richmond, VA 23260
- South Dakota—P.O. Box 9903, Bloomington, IL 61799
- Tennessee—P.O. Box 9903, Bloomington, IL 61799
- Texas—P.O. Box 9903, Bloomington, IL 61799
- Utah—P.O. Box 12626, Fresno, CA 93778
- Vermont—P.O. Box 25866, Richmond, VA 23260
- Virginia—P.O. Box 25866, Richmond, VA 23260
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Circle Desired Form or Publication	Schedule SE (1040) Instructions	4136 Instructions	8598 & 1040 ES (1988) Instructions	Pub 503	Pub 527	Pub 920
1040 A-68 Instructions	2106 & 2119 Instructions	4884 & 4885 Instructions	8615 Instructions	Pub 505	Pub 530	Pub 929
1040A Instructions	2210 & 2211 Instructions	4868 Instructions	Pub 17	Pub 508	Pub 545	
1040EZ Instructions	2441 Instructions	6251 & 6252 Instructions	Pub 334	Pub 521	Pub 552	
1040A & 1040EZ Instructions	3448 & 3449 Instructions	8283 & 8284 Instructions	Pub 463	Pub 523	Pub 553	
1040A & 1040EZ Instructions	3903 & 3904 Instructions	8592 & 8593 Instructions	Pub 501	Pub 524	Pub 554	
1040A & 1040EZ Instructions	4136 Instructions	8592 & 8593 Instructions	Pub 502	Pub 526	Pub 917	

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Order Blank—We will send you 2 copies of each form and 1 copy of each set of instructions or publication you circle. Please cut out the order blank on the dotted line and send it to the address on the other side. This will be the label used to return material to you. Enclose this order blank in your own envelope and address your envelope to the IRS address shown on the label. Please do not waste, please order only the forms and publications you think you will need to prepare your return. Use the blank spaces to order items not listed if you need more space. Please allow 2 weeks to receive your publications; you may need to order to allow 2 weeks to receive your order.

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Print or type your name and address on this label. It will be used to speed your order for forms to you.

Name

Number and street

City or town, state, and ZIP code

Save Time! Participating libraries have IRS tax forms available for copying and reference sets of Tax Information Publications. Also, participating banks, post offices, and libraries stock Forms 1040, 1040A, 1040EZ, their instructions, and Schedules A-B.

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1987 Form 1040A **Page 1**

Step 6
Figure your standard deduction.

13 Enter the amount from line 12. **13**

14a Check if: ☐ You were 65 or over ☐ Blind ☐ Spouse was 65 or over ☐ Blind ☐ Spouse checked ☐ 14a

b If you can be claimed as a dependent on another person's return (such as your parent's return), check here ☐ 14b

c If you are married filing separately and your spouse files Form 1040 and itemizes deductions, check here ☐ 14c

d Standard deduction. If you checked a box on line 14a, b, or c, see page 22 for amount to enter on line 14d. If no box is checked, enter amount shown below for your filing status.

Filing status	14d
Single or Head of household, enter \$2,540	
Married filing joint return, enter \$3,760	
Married filing separate return, enter \$1,880	

15 Subtract line 14d from line 13. Enter the result. **15**

16 Multiply \$1,900 by the total number of exemptions claimed on line 5e. Or, figure your exemption amount from the chart on page 24 of the instructions. **16**

17 Subtract line 16 from line 15. Enter the result. This is your taxable income. **17**

Step 7
Figure your tax.

18 Find the tax on the amount on line 17. Check if from: ☐ Tax Table (pages 32-37); or ☐ Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000. **18**

19 Credit for child and dependent care expenses. Complete and attach Schedule I, Part I. **19**

20 Subtract line 19 from line 18. Enter the result. (If line 19 is more than line 18, enter -0- on line 20.) This is your total tax. **20**

21a Total federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). (If line 6 is more than \$43,800, see page 26.) **21a**

b Earned income credit, from the worksheet on page 28 of the instructions. Also see page 27. **21b**

22 Add lines 21a and 21b. Enter the total. These are your total payments. **22**

23 If line 22 is larger than line 20, subtract line 20 from line 22. Enter the result. This is the amount of your refund. **23**

24 If line 20 is larger than line 22, subtract line 22 from line 20. Enter the result. This is the amount you owe. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1987 Form 1040A" on it. **24**

Step 9
Sign your return

Under penalty of perjury, I declare that I have prepared this return and accompanying schedules and statements to the best of my knowledge and belief; they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation
Spouse's signature (if joint return, both must sign)	Date	Spouse's occupation
Preparer's signature	Date	Preparer's social security no.
Firm's name (or yours if self-employed)	Date	Employer identification no.
Address and ZIP code		Check if self-employed <input type="checkbox"/>

Form 1040A **U.S. Individual Income Tax Return** **1987** **Page 2**

Step 1
Label

OMB No. 1545-0046

Your first name and initial (if joint return, also give spouse's name and initial) Last name

Present home address (number and street). (If you have a P.O. Box, use one of the instructions.)

City, town or post office, state, and ZIP code

For Privacy Act and Act Notices, see page 31.

Step 2
Check your filing status

☐ Single (See if you can use Form 1040EZ.)

☐ Married filing joint return (even if only one had income)

☐ Married filing separate return. Enter spouse's social security number above and spouse's full name here.

☐ Head of household (with qualifying person). If the qualifying person is your child but not your dependent, enter this child's name here.

Step 3
Figure your exemptions

Caution: If you can be claimed as a dependent on another person's tax return (such as your parent's return), do not check box 5a. But be sure to check the box on line 14b on page 2.

5a ☐ Yourself **5b** ☐ Spouse

c Dependents:

1. Name (first, initial, and last name)	2. Check if dependent under age 5	3. If age 5 or over, dependent number	4. Relationship	5. No. of months born in 1987	6. No. of children who didn't live with you due to divorce or separation	7. No. of orphans listed on 5c	8. No. of other dependents listed on 5c

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ☐

a Total number of exemptions claimed. (Also complete lines 16.) **6**

6 Wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) **7a**

7a Taxable interest income (see page 17). (If over \$400, also complete and attach Schedule I, Part II.) **7a**

b Tax-exempt interest income (see page 17). (DO NOT include on line 7a.) **7b**

8 Dividends. (If over \$400, also complete and attach Schedule I, Part III.) **8**

9 Unemployment compensation (insurance) from Form(s) 1099-G. **9**

10 Add lines 6, 7a, 8, and 9. Enter the total. This is your total income. **10**

11a Your IRA deduction from applicable Worksheet, New rules for IRAs begin on page 18. **11a**

b Spouse's IRA deduction from applicable Worksheet. New rules for IRAs begin on page 18. **11b**

c Add lines 11a and 11b. Enter the total. These are your total adjustments. **11c**

12 Subtract line 11c from line 10. Enter the result. This is your adjusted gross income. (If this line is less than \$15,432 and a child lived with you, see "Earned Income Credit" (line 21b) on page 27 of instructions.) **12**

Step 4
Figure your total income

Attach check or money order here

Step 5
Figure your adjusted gross income

Form 1040A (1987)

Form **1040EZ** **Income Tax Return for Single filers with no dependents** **1987** OMB no. 1545-0075

Department of the Treasury, Internal Revenue Service

Name & address

Use the IRS mailing label. If you don't have one, please print.

Print your name above (first, last)

Print home address (number and street). If you have a P.O. box, use entries copy 1.

City, town or post office, state and ZIP code

0123456789

Your social security number

Yes ☐ No ☐

Please read the instructions for this form on the reverse side.

Presidential Election Campaign Fund

Do you want \$1 to go to this fund? ☐ Yes ☐ No

Note: Checking "Yes" will not change your tax or refund.

Report your income

1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) **1**

2 Taxable interest income of \$400 or less. If the total is more than \$400, you cannot use Form 1040EZ. **2**

3 Add line 1 and line 2. This is your **adjusted gross income**. **3**

4 Can you be claimed as a dependent on another person's return? ☐ Yes. Do worksheet on back, enter amount from line E here **4**
☐ No. Enter 2,540 as your standard deduction.

5 Subtract line 4 from line 3. **5**

6 If you checked the "Yes" box on line 4, enter 0. If you checked the "No" box on line 4, enter 1,900. This is your **personal exemption**. **6**

7 Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0 on line 7. This is your **taxable income**. **7**

Figure your tax

8 Enter your Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). **8**

9 Use the single column in the tax table on pages 32-37 of the Form 1040EZ instruction booklet to find the tax on the amount shown on line 7 above. Enter the amount of tax. **9**

Refund or amount you owe

10 If line 8 is larger than line 9, subtract line 9 from line 8. Enter the amount of your **refund**. **10**

11 If line 9 is larger than line 8, subtract line 8 from line 9. Enter the amount you owe. Attach check or money order for the full amount, payable to "Internal Revenue Service." **11**

Sign your return

I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.

Your signature _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see page 31.

Form **1040EZ** (1987)

1987 Instructions for Form 1040EZ

Use this form if:

- Your filing status is single.
- You do not claim any dependents.
- You had only wages, salaries, and tips, and your taxable income was \$400 or less. **Caution:** If you received tips (including allocated tips) that are not included in Box 14 of your W-2 form, you may not be able to use Form 1040EZ. See page 17 in the **Instructions for preparing 1040EZ and 1040A**. If you can't use this form, you must use Form 1040A or Form 1040. See pages 6 through 8 in the instruction booklet. If you are uncertain about your filing status, see page 9 of the booklet.

It will make it easier for us to process your return if you print your numbers (do not type) and keep them in the boxes. Do not use dollar signs. You may find calculations easier if you round off cents to whole dollars. See page 10 of the instruction booklet for details.

Completing your return

Use the mailing label we sent you. After you complete your return, carefully place the label in the name and address area. Mark through any errors on the label and print the correct information on the label. (Use of the label saves processing time. If you don't have a label, print the information on the name and address line. If your post office does not deliver mail to your street address and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

Name & address

Congress set up this fund to help pay for Presidential election campaigns. You may have one of your tax dollars go to this fund by checking the "Yes" box. Checking the "Yes" box does not change the tax or refund shown on your return.

Presidential campaign fund

Report your income

Line 1. Enter on line 1 the total amount you received in wages, salaries, and tips. This should be shown in Box 10 of your 1987 wage statement(s). **Form W-2.** If you don't receive your W-2 form by February 15, contact your local IRS office. You must still report your wages on line 1. If you don't get a Form W-2 from your employer, attach the first copy of Copy B of your W-2 form(s) to your return.

Line 2. Enter on line 2 the total taxable interest income you received from all sources, such as banks, savings and loans, and credit unions. You should receive a **Form 1099-INT** from each institution that paid you interest. You cannot use Form 1040EZ if your total taxable interest income is over \$400. If you received tax-exempt interest, such as interest on municipal bonds, in the space to the left of line 2, write "TEI" and show the amount of your tax-exempt interest. DO NOT include tax-exempt interest in the total entered in the boxes on line 2.

Line 4. If you checked the "Yes" box because you can be claimed as a dependent on another person's return (such as your parents'), complete the following worksheet to figure the amount to enter on line 4. For information on dependents, see page 12 of the instruction booklet.

Standard deduction worksheet for dependents

A. Enter the amount from line 1 on front. **A.** _____

B. Minimum amount. **B.** 500.00

C. Compare the amounts on lines A and B above. Enter the LARGER of the two amounts here. **C.** _____

D. Maximum amount. **D.** 2,540.00

E. Compare the amounts on lines C and D above. Enter the SMALLER of the two amounts here and on line 4 on front. **E.** _____

Line 6. Generally, you should enter 1,900 on line 6 as your personal exemption. However, if you can be claimed as a dependent on another person's return (such as your parents'), you cannot claim a personal exemption for yourself; enter 0 on line 6. If you are entitled to additional exemptions for your spouse, for your dependent children, or for other dependents, you cannot use Form 1040EZ.

Line 8. Enter the amount of Federal income tax withheld. This should be shown in Box 9 of your 1987 W-2 form(s). If you had two or more employers and had total wages of over \$12,800, page 26 of the instruction booklet. If you cannot be claimed as a dependent and you want IRS to figure the tax for you, complete lines 1 through 8, sign and date your return. If you want to figure your own tax, continue with these instructions.

Line 9. Use the amount on line 7 to find your tax in the tax table on pages 32-37 of the instruction booklet. Be sure to use the column in the tax table for **single** taxpayers. Enter the amount of tax on line 9. If your tax from the tax table is zero, enter 0.

Line 10. If line 8 is larger than line 9, you are entitled to a refund. Subtract line 9 from line 8, and enter the result on line 10.

Line 11. If line 9 is larger than line 8, you owe more tax. Subtract line 8 from line 9, and enter the result on line 11. Attach your check for the full amount. Write your social security number, daytime phone number, and "1987 Form 1040EZ" on your payment.

Sign your return

You must sign and date your return. If you pay someone to prepare your return, that person must also sign it below the space for your signature and supply the other information required by IRS. See page 29.

Mailing your return

File your return by **April 15, 1988**. Mail it to us in the addressed envelope that came with the instruction booklet. If you don't have an addressed envelope, see page 3 for the address.

Schedules A&B (Form 1040) 1987
OMB No. 1545-0074 Page 2
Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.) Your social security number

Schedule B—Interest and Dividend Income

Part I Interest Income (See instructions on pages 9 and 24.)
If you received more than \$400 in taxable interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 24.

Interest income		Amount
1	Interest income from seller-financed mortgages (See instructions and list name of payer) ▶	
2	Other interest income (list name of payer) ▶	
Also complete Part III		
Note. If you received a Form 1099-INT or Form 1099-OID from a person or from an estate, enter the firm's name and the total interest income on that form.		

SCHEDULE C **(Form 1040)**

Department of the Treasury
Internal Revenue Service (IRS)

OMB No. 1545-0047

Profit or (Loss) From Business or Profession (Sole Proprietorship)

Partnerships, Joint Ventures, etc., Must File Form 1065.

▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor

Principal business or profession, including product or service (See instructions)

Principal business code (from Part IV) ▶

Business name and address ▶

Employer ID number (Not SSN)

Method(s) used to value closing inventory

(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ (attach explanation)

Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation)

Are you deducting expenses for an office in your home?

If "Yes," enter the square footage of the office in your home

Did you file Form 941 for this business for any quarter in 1987?

Did you "materially participate" in the operation of this business during 1987? (If "No," see instructions for limitations on losses)

Was this business in operation at the end of 1987?

How many months was this business in operation during 1987?

If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here

If you check this box, you MUST attach Form 8271

Part I Income

1a Gross receipts or sales

1b Less: Returns and allowances

2 Cost of goods sold and/or operations (from Part II, line 8)

3 Subtract line 2 from line 1b and enter the gross profit here

4 Other income (including windfall profit tax credit or refund received in 1987)

5 Add lines 3 and 4. This is the gross income

Part II Deductions

6 Advertising

7 Bad debts from sales or services (see instructions)

8 Bank service charges

9 Car and truck expenses

10 Commissions

11 Depreciation

12 Depreciation and section 179 deduction (from Form 4562 (not included in Part III))

13 Dues and publications

14 Employee benefit programs

15 Freight (not included in Part III)

16 Insurance

17 Interest

18 Mortgage (paid to financial institutions)

19 Laundry and cleaning

20 Legal and professional services

21 Office expense

22 Rent on business property

23 Pension and profit sharing plans

24 Repairs

25 Supplies (not included in Part III)

26 Taxes

27 Travel, meals, and entertainment

28a Travel

28b Meals and entertainment

28c Total meals and entertainment

28d Enter 20% of line 28c subject to limitations (see instructions)

28e Subtract line 28d from line 28c

28f Subtract line 28e from line 28d

28g Other expenses (list type and amount)

29 Other expenses (list type and amount)

30a Subtract line 29 from line 28g

30b Subtract line 30a from line 28g

30c Subtract line 30b from line 28g

SCHEDULE C **(Form 1040)**

Department of the Treasury
Internal Revenue Service (IRS)

OMB No. 1545-0047

Profit or (Loss) From Business or Profession (Sole Proprietorship)

Partnerships, Joint Ventures, etc., Must File Form 1065.

▶ Attach to Form 1040, Form 1041, or Form 1041S. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor

Principal business or profession, including product or service (See instructions)

Principal business code (from Part IV) ▶

Business name and address ▶

Employer ID number (Not SSN)

Method(s) used to value closing inventory

(1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation)

Accounting method (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ (attach explanation)

Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation)

Are you deducting expenses for an office in your home?

If "Yes," enter the square footage of the office in your home

Did you file Form 941 for this business for any quarter in 1987?

Did you "materially participate" in the operation of this business during 1987? (If "No," see instructions for limitations on losses)

Was this business in operation at the end of 1987?

How many months was this business in operation during 1987?

If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here

If you check this box, you MUST attach Form 8271

Part I Income

1a Gross receipts or sales

1b Less: Returns and allowances

2 Cost of goods sold and/or operations (from Part II, line 8)

3 Subtract line 2 from line 1c and enter the gross profit here

4 Other income (including windfall profit tax credit or refund received in 1987)

5 Add lines 3 and 4. This is the gross income

Part II Deductions

6 Advertising

7 Bad debts from sales or services (see instructions)

8 Bank service charges

9 Car and truck expenses

10 Commissions

11 Depreciation

12 Depreciation and section 179 deduction (from Form 4562 (not included in Part III))

13 Dues and publications

14 Employee benefit programs

15 Freight (not included in Part III)

16 Insurance

17 Interest

18 Mortgage (paid to financial institutions)

19 Laundry and cleaning

20 Legal and professional services

21 Office expense

22 Rent on business property

23 Pension and profit sharing plans

24 Repairs

25 Supplies (not included in Part III)

26 Taxes

27 Travel, meals, and entertainment

28a Travel

28b Meals and entertainment

28c Total meals and entertainment

28d Enter 20% of line 28c subject to limitations (see instructions)

28e Subtract line 28d from line 28c

28f Subtract line 28e from line 28d

28g Other expenses (list type and amount)

29 Other expenses (list type and amount)

30a Subtract line 29 from line 28g

30b Subtract line 30a from line 28g

30c Subtract line 30b from line 28g

Schedule C (Form 1040) 1987

Page 2

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation)

2 Purchases less cost of items withdrawn for personal use

3 Cost of labor (Do not include salary paid to yourself)

4 Materials and supplies

5 Other costs

6 Add lines 1 through 5

7 Less Inventory at end of year

8 Cost of goods sold and/or operations. Subtract line 7 from line 6. Enter here and on Part I, line 2

Part IV Codes for Principal Business or Professional Activity

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that identifies (or most closely identifies) the business (or profession) that is the principal source of your sales or receipts. Enter this 4-digit code on line 8 on page 1 of Schedule C. (Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.)

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Schedule C (Form 1040) 1987

Page 2

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation)

2 Purchases less cost of items withdrawn for personal use

3 Cost of labor (Do not include salary paid to yourself)

4 Materials and supplies

5 Other costs

6 Add lines 1 through 5

7 Less Inventory at end of year

8 Cost of goods sold and/or operations. Subtract line 7 from line 6. Enter here and on Part I, line 2

Part IV Codes for Principal Business or Professional Activity

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that identifies (or most closely identifies) the business (or profession) that is the principal source of your sales or receipts. Enter this 4-digit code on line 8 on page 1 of Schedule C. (Note: If your principal source of income is from farming activities, you should file Schedule F (Form 1040), Farm Income and Expenses.)

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Schedule C (Form 1040) 1987

Page 2

Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)

1 Inventory at beginning of year (If different from last year's closing inventory, attach explanation)

2 Purchases less cost of items withdrawn for personal use

3 Cost of labor (Do not include salary paid to yourself)

4 Materials and supplies

5 Other costs

6 Add lines 1 through 5

7 Less Inventory at end of year

8 Cost of goods sold and/or operations. Subtract line 7 from line 6. Enter here and on Part I, line 2

Part IV Codes for Principal Business or Professional Activity

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that identifies (or most closely identifies) the business (or profession) that is the principal source of your sales or receipts. Enter this 4-digit code on line 8 on page 1

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SCHEDULE F
(Form 1040)
Department of the Treasury
Internal Revenue Service

Farm Income and Expenses

► Attach to Form 1040, Form 1041, Form 1041S, or Form 1065.
► See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

1987

Attachment

Schedule No. 14

Social security number (SSN)

A Principal Product (Describe in one or two words your principal crop or output for the current tax year.)

B Agricultural Activity Code (from Part IV) **C** Accounting Method **D** Employer ID number (Not SSN)

E Do you make an election in a prior year to include commodity credit loan proceeds as income in that year? **F** Did you "materially participate" in the operation of this business during 1987? (See Instructions for limitation on losses.) **G** Are you electing not to capitalize certain preproductive period expenses? (New rules apply to these expenses. See Instructions.)

Part I Farm Income—Cash Method—Complete Parts I and II
(Accrual method taxpayers complete Parts I and III, and line 12 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1 Sales of livestock and other items you bought for resale **2** Cost or other basis of livestock and other items you bought for resale **3** Subtract line 2 from line 1 **4** Sales of livestock, produce, grains, and other products you raised **5a** Total distributions received from cooperatives (from Form 1099-PATR) **5b** Less: Nonincome items **6** Net distributions. Subtract line 5b from line 5a **7** Agricultural program payments **a** Cash **b** Materials and services **8** Commodity credit loans under election (or forfeited) **9** Crop insurance proceeds. If election attached to include in income in year following damage, check here **10** Machine work (custom hire) income **11** Other income, including Federal and state gasoline tax credit or refund (see Instructions) **12** Gross income. Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 52

Part II Farm Deductions—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.)

13 Breeding fees **14** Chemicals **15** Conservation expenses (you must attach Form 8645) **16** Depreciation and section 179 expense deduction (from Form 4562) **17** Employee benefit programs other than on line 26 **18** Feed purchased **19** Fertilizers and lime **20** Freight, trucking **21** Gasoline, fuel, oil **22** Insurance **23** Interest **a** Mortgage (paid to financial institutions) **b** Other **24a** Labor hired **b** Jobs credit **c** Net labor hired (subtract line 24b from line 24a) **25** Machine (custom) hire **26** Pension and profit-sharing plans **27** Rent of farm, pasture **28** Repairs, maintenance **29** Seeds, plants purchased **30** Storage, warehousing **31** Supplies purchased **32** Taxes **33** Utilities **34** Veterinary fees, medicine **35** Other expenses (specify) **a** **b** **c**

36 Total deductions from Part II. Add amounts in columns for lines 13 through 35c **37** Net farm profit or (loss). Subtract line 36 from line 12. If a profit, enter on Form 1040, line 18, and on Schedule SE, line 1. If a loss, you MUST go on line 38. (Fiduciaries and partnerships, see Instructions.) **38** If you have a loss, you MUST answer this question: "Do you have amounts for which you are not at risk in this business?" (See Instructions.) If "yes," you MUST attach Form 6198. If "No," enter the loss on Form 1040, line 18, and on Schedule SE, line 1.

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule F (Form 1040) 1987**

Schedule F (Form 1040) 1987

Page 2

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include them on line 47 below.

39 Sales of livestock, produce, grains, and other products during year **40a** Total distributions received from cooperatives (from Form 1099-PATR) **40b** Less: Nonincome items **41** Net distributions. Subtract line 40b from line 40a **42** Agricultural program payments **a** Cash **b** Materials and services **43** Commodity credit loans under election (or forfeited) **44** Machine work (custom hire) income **45** Other income, including Federal and state gasoline tax credit or refund (see Instructions) **46** Total. Add amounts on lines 39 and 41 through 45 **47** Inventory of livestock, produce, grains, and other products at beginning of year **48** Cost of livestock, produce, grains, and other products purchased during year **49** Add lines 47 and 48 **50** Inventory of livestock, produce, grains, and other products at end of year **51** Cost of livestock, produce, grains, and other products sold. Subtract line 50 from line 49 **52** Gross income. Subtract line 51 from line 46. Enter here and on Part I, line 12

*If you use the unit livestock price method or the farm price method of valuing inventory and the amount on line 50 is larger than the amount on line 49, subtract line 49 from line 50. Enter the result on line 51 and add lines 46 and 51. Enter the total on line 52.

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on line 8 on page 1 of this schedule. (Note: If your principal source of income is from a business other than farming, such as a hotel, restaurant, preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file Schedule C (Form 1040), Profit or (Loss) From Business or Profession.)

120 Field crop, including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc.
160 Vegetables and melons, garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc.
170 Fruit and tree nuts, including grapes, berries, olives, etc.
180 Ornamental floriculture and nursery products
185 Food crops grown under cover, including hydroponic crops
211 Beefcattle feedlots
212 Beefcattle, except feedlots
215 Hogs, sheep, and goats
240 Dairy
250 Poultry and eggs, including chickens, ducks, pigeons, quail, etc.
260 General livestock, not specializing in any one livestock category
270 Animal specialty, including fur-bearing animals, pets, horses, etc.
280 Animal aquaculture, including fish, shellfish, mollusks, frogs, etc., produced within confined space
290 Forest products, including forest nurseries and seed production, including production of pine gum, and gathering of forest products
300 Agricultural production, not specified

U.S.G.P.O. 1987-149-108

Schedule R
(Form 1040)

Department of the Treasury
Internal Revenue Service (G)

**Credit for the Elderly or for the
Permanently and Totally Disabled**
▶ For Paperwork Reduction Act Notice, see separate instructions
▶ Attach to Form 1040.

OMB No. 1545-0074
1987
Attachment
Sequence No. 17

Name(s) as shown on Form 1040 Your social security number

You may be able to use Schedule R to reduce your tax (if by the end of 1987)

- You were 65 or over, **OR**
 - You were under 65, you retired on permanent and total disability, and you received taxable disability income.
- Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R. See the separate Schedule R instructions for details.

Note. In most cases, *IRS* can figure this credit for you. See page 15 of the Form 1040 Instructions.

Part I Check the Box That Applies to Your Filing Status and Age (Check only one box.)

If your filing status is:

And by the end of 1987:

Single*

Check box:

1 ☐

2 ☐

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SCHEDULE SE (Form 1040)

Department of the Treasury
Internal Revenue Service

Name of person with self-employment income (as shown on Schedule C) Social security number of person with self-employment income

OMB No. 1545-0074
Attachment
Schedule SE (Form 1040) 1987
Supplemental page 18

Part I Regular Computation of Net Earnings From Self-Employment

1 Net farm profit (or loss) from Schedule F (Form 1040), line 37, and farm partnerships, Schedule K-1 (Form 1065), line 14a

2 Net profit (or loss) from Schedule C (Form 1040), line 31, and Schedule K-1 (Form 1065), line 14a (other than farming) (See instructions for other income to report.) Employees of an electing church or church-controlled organization DO NOT enter your Form W-2 wages on line 2. See the instructions.

Part II Optional Computation of Net Earnings From Self-Employment (See "Who Can Use Schedule SE" in the instructions.)

3 Maximum income for optional methods

4 Farm Optional Method—If you meet test A or B above, enter the smaller of: two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 14b; or \$1,600

5 Subtract line 4 from line 3

6 Nonfarm Optional Method—If you meet test C above, enter the smallest of: two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 14c (other than farming); or \$1,600; or, if you elected the farm optional method, the amount on line 5

Part III Computation of Social Security Self-Employment Tax

7 Enter the amount from Part I, line 1 or, if you elected the farm optional method, Part II, line 4

8 Add the amount from Part I, line 2 or, if you elected the nonfarm optional method, Part II, line 6

9 Add line 7 and line 8. If line 8 is less than \$400, enter zero. If line 8 is \$400 or more, enter the total of lines 7 and 8 as less than \$400, enter zero and complete the rest of this schedule.

10 The largest amount of combined wages and self-employment earnings, subject to social security or railroad retirement tax (line 1) for 1987 is:

11a Total social security wages and tips from Forms W-2 and railroad retirement compensation (line 1). Note: Medicare qualified government employees whose wages are only subject to the 1.45% medicare (hospital insurance benefit) tax and employees of certain church or church-controlled organizations should not include those wages on this line. (See instructions.)

11b Unreported tips, subject to social security tax from Form 4137, line 9, or to railroad retirement tax (line 1)

12a Subtract line 11b from line 10. If zero or less, enter zero

12b Enter your medicare qualified government wages, if you are required to use the worksheet in Part III of the instructions

12c Enter your Form W-2 wages of \$100 or more from an electing church or church-controlled organization

13 Enter the smaller of line 12a or line 12d

14 Self-employment tax. Enter this amount on Form 1040, line 48

For Paperwork Reduction Act Notice, see Form 1040 instructions

U.S. Government Printing Office: 1987

2441

Credit for Child and Dependent Care Expenses

Form 1040

Department of the Treasury
Internal Revenue Service

Name of taxpayer (or joint return filer) Your social security number

OMB No. 1545-0045
Attachment
Form 1040 1987
Supplemental page 23▶ Attach to Form 1040
▶ See instructions below

Note: If you paid cash wages of \$50 or more in a calendar quarter for an individual for services performed in your home, you must file an employment tax return. Get Form 942 for details.

1 Enter number of qualifying persons who were cared for in 1987. (See instructions for definition of qualifying persons.)

2 Enter the amount of qualified expenses you incurred and actually paid in 1987 for the care of the qualifying person. (See What Are Qualified Expenses in the instructions.) Do not enter more than \$2,400 (\$4,800 if you paid for the care of two or more qualifying persons).

3a You must enter your earned income on line 3a. See line 3 instructions for definition of earned income.

b If you are married filing a joint return for 1987, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the line 3 instructions for amount to enter.)

c If you are married filing a joint return, compare the amounts on lines 3a and 3b, and enter the smaller of the two amounts on line 3c.

4 If you were unemployed at the end of 1987, compare the amounts on lines 2 and 3a.

5 Enter percentage from table below that applies to the adjusted gross income on Form 1040, line 31.

Adjusted gross income	Percentage
over—	30% (1/30)
\$0—10,000	30% (1/30)
10,000—20,000	24% (1/24)
20,000—30,000	20% (1/20)
30,000—40,000	16% (1/16)
40,000—50,000	12% (1/12)
50,000—60,000	8% (1/8)
60,000—70,000	4% (1/4)
70,000—80,000	2% (1/2)
80,000—90,000	1% (1/1)
90,000—100,000	0% (0/0)

6 Multiply the amount on line 4 by the percentage shown on line 5, and enter the result.

7 Multiply any child and dependent care expenses for 1986 that you paid in 1987 by the percentage that applies to the adjusted gross income on your 1986 Form 1040, line 33, or Form 1040A, line 15. Enter the result. (See line 7 instructions for the required statement.)

8 Add amounts on lines 6 and 7. See the worksheet in the instructions for line 8 for the amount of credit you can claim.

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are correctly paying their federal income taxes and to figure and collect the right amount of tax. You are required to give us this information.

What Is the Child and Dependent Care Expenses Credit?

You may be able to take a tax credit for the child and dependent care expenses you paid for the care of your child or other qualifying person so you could work or look for work in 1987. The most the credit may be is \$2,400 for the care of one qualifying person, or \$4,800 for the care of two or more qualifying persons.

Additional information.—For more information, prepare and attach Form 8881, Child and Dependent Care Expenses Credit, and the Employment Taxes for Household Employees.

Who Is a Qualifying Person?

A qualifying person is:

• Any person under age 15 whom you claim as a dependent (but see the rule for Children of divorced or separated parents).

• Your disabled spouse who is mentally or physically unable to care for himself or herself.

• Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent.

• A child who is under age 15 or was physically or mentally unable to care for himself or herself, and

• The child's not your dependent because—

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

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Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

1987

Attachment
Form 1040 1987
Supplemental page 23▶ Attach to Form 1040
▶ See instructions below

Note: If you paid cash wages of \$50 or more in a calendar quarter for an individual for services performed in your home, you must file an employment tax return. Get Form 942 for details.

1 Enter number of qualifying persons who were cared for in 1987. (See instructions for definition of qualifying persons.)

2 Enter the amount of qualified expenses you incurred and actually paid in 1987 for the care of the qualifying person. (See What Are Qualified Expenses in the instructions.) Do not enter more than \$2,400 (\$4,800 if you paid for the care of two or more qualifying persons).

3a You must enter your earned income on line 3a. See line 3 instructions for definition of earned income.

b If you are married filing a joint return for 1987, you must enter your spouse's earned income on line 3b. (If spouse is a full-time student or is disabled, see the line 3 instructions for amount to enter.)

c If you are married filing a joint return, compare the amounts on lines 3a and 3b, and enter the smaller of the two amounts on line 3c.

4 If you were unemployed at the end of 1987, compare the amounts on lines 2 and 3a.

5 Enter percentage from table below that applies to the adjusted gross income on Form 1040, line 31.

Adjusted gross income	Percentage
over—	30% (1/30)
\$0—10,000	30% (1/30)
10,000—20,000	24% (1/24)
20,000—30,000	20% (1/20)
30,000—40,000	16% (1/16)
40,000—50,000	12% (1/12)
50,000—60,000	8% (1/8)
60,000—70,000	4% (1/4)
70,000—80,000	2% (1/2)
80,000—90,000	1% (1/1)
90,000—100,000	0% (0/0)

6 Multiply the amount on line 4 by the percentage shown on line 5, and enter the result.

7 Multiply any child and dependent care expenses for 1986 that you paid in 1987 by the percentage that applies to the adjusted gross income on your 1986 Form 1040, line 33, or Form 1040A, line 15. Enter the result. (See line 7 instructions for the required statement.)

8 Add amounts on lines 6 and 7. See the worksheet in the instructions for line 8 for the amount of credit you can claim.

• Your disabled spouse who is mentally or physically unable to care for himself or herself.

• Any disabled person who is mentally or physically unable to care for himself or herself and whom you claim as a dependent.

• A child who is under age 15 or was physically or mentally unable to care for himself or herself, and

• The child's not your dependent because—

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

Form 8332, Release of Claim to Exemption

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Form 8332, Release of Claim to Exemption

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3800Form
Department of the Treasury
Internal Revenue Service**General Business Credit**

► Attach to your tax return.

OMB No. 1545-0095

1987
Attachment
Sequence No. 25

Name(s) as shown on return

Identifying number

Part I Tentative Credit

- 1 Investment credit (Form 3468, line 8)
- 2 Jobs credit (Form 5884, line 7)
- 3 Credit for alcohol used as fuel (Form 6478, line 11)
- 4 Credit for increasing research activities (Form 6765, line 25)
- 5 Low-income housing credit (Form 8586, line 8)
- 6 **Current year general business credit**—Add lines 1 through 5
- 7 Carryforward of general business credit (or investment) (see instructions), WIN, jobs, alcohol fuel, research, ESOP, or low-income housing credits
- 8 Carryback of general business credit to 1987
- 9 Tentative general business credit—Add lines 6, 7, and 8

Part II Tax Liability Limitations

- 10a Individuals—From Form 1040, enter amount from line 43
- b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1)
- 11a Individuals—Enter income tax before credits from return
- b Corporations—From Form 1040, enter credit from line 44, plus any orphan drug and nonconventional source fuel credits included on line 46
- c Other filers—Enter income tax before credits from return
- 12 Income tax liability as adjusted—Subtract line 11 from line 10
- 13 Tentative minimum tax—
 - a Individuals—From Form 6231, enter amount from line 17
 - b Corporations—From Form 4626, enter amount from line 19
 - c Estates and Trusts—From Form 9656, enter amount from line 20
- 14 Excess of income tax liability over tentative minimum tax—Subtract line 13 from line 12
- 15a Enter smaller of line 12 or \$25,000 (see instructions for line 15)
- b If line 12 is more than \$25,000—Enter 75% of the excess
- 16 Add lines 15a and 15b
- 17 General business credit—Enter smaller of line 9, line 14, or line 16 (corporations, see instructions) here and on Form 1040, line 45; Form 1120, Schedule J, line 4(e); Form 1120-A, Part I, line 2, or the proper line on other returns

General Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice. We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Changes You Should Note. The Tax Reform Act of 1986 changed the alternative minimum tax rules for the individual filers. Starting in 1987, you will require an additional tax liability limitation computation on lines 13 and 14. The Act also repealed the Employee Stock Ownership Plan (ESOP) credit as of 12-31-86.

If you have credits from passive activities, see **Form 8582-CR**, Passive Activity Credit Limitations, before completing Form 3800.

Purpose of form.—The general business credit consists of the investment credit (Form 3468), jobs credit (Form 5884), alcohol fuel credit (Form 6478), research credit (Form 6765), and low-income housing credit (Form 8586). If you have more than one of these credits, you must attach the appropriate credit forms and summarize them here on Form 3800. If you have only one of these credits for 1987, you do not have to file Form 3800. Instead, use only that particular form to claim the credit. For example, if you have only a 1987 investment credit, you may use Form 3468 to claim your credit. You do not have to file Form 3800 in this case.

Carryback and Carryforward of Unused Credit.—If you cannot use part or all of the credit on line 6 because of the tax liability limitations, you may carry any excess back to each year (Continued on back)

Form **3800** (1987)**6251****Alternative Minimum Tax—Individuals**► See separate instructions.
► Attach to Form 1040 or Form 1040NR. Estates and Trusts, use Form 9656.

OMB No. 1545-0227

1987
Attachment
Sequence No. 32

Your social security number

- 1 Taxable income from Form 1040, line 36 (can be less than zero)
- 2 Net operating loss deduction (Do not enter as a negative amount)
- 3 Add lines 1 and 2
- 4 **Adjustments.** (See instructions before completing.)
- a Standard deduction from Form 1040, line 33b
- b Medical and dental expense
- c Miscellaneous itemized deductions from Schedule A, line 24
- d Taxes from Schedule A, line 8
- e Interest from Schedule A, line 12b
- f Other interest adjustments
- g Depreciation of property placed in service after 1986
- h Circulation and research and experimental expenditures paid or incurred after 1986
- i Mining exploration and development costs paid or incurred after 1986
- j Long-term contracts entered into after 2/28/86
- k Pollution control facilities placed in service after 1986
- l Installment sales of certain property
- m Basis adjustment
- n Certain loss limitations
- o Tax shelter farm loss
- p Passive activity loss
- q Beneficiaries of estates and trusts
- r Personal exemptions (see instructions)
- s Total adjustments (combine lines 4a through 4r)

5 Tax preference items. (See instructions before completing.)

- a Accelerated depreciation of real property placed in service before 1987
- b Accelerated depreciation of leased personal property placed in service before 1987
- c Amortization of certified pollution control facilities placed in service before 1987
- d Appreciated property charitable deduction
- e Incentive stock options
- f Tax exempt interest from private activity bonds issued after August 7, 1986
- g Intangible drilling costs
- h Depletion
- i Reserves for losses on bad debts of financial institutions

j Total tax preference items (add lines 5a through 5i)

- 6 Combine lines 3, 4s, and 5j
- 7 Alternative tax net operating loss deduction (Do not enter more than 90% of line 6)
- 8 Alternative minimum taxable income (subtract line 7 from line 6)
- 9 Enter \$40,000 (\$20,000 if married filing separately, \$30,000 if single or head of household)
- 10 Enter \$150,000 (\$75,000 if married filing separately, \$112,500 if single or head of household)
- 11 Subtract line 10 from line 8. If zero or less, enter zero
- 12 Multiply line 11 by 25% (.25)
- 13 Subtract line 12 from line 8. If zero or less, enter zero
- 14 Subtract line 13 from line 8. If zero or less, enter zero
- 15 Multiply line 14 by 21% (.21)
- 16 Alternative minimum tax (subtract line 15 from line 12)
- 17 Tentative minimum tax (foreign tax credit)
- 18 Regular tax before credits (Form 1040, line 37) minus foreign tax credit (Form 1040, line 44)
- 19 Alternative minimum tax (subtract line 18 from line 17). Enter on Form 1040, line 49

For Paperwork Reduction Act Notice, see separate instructions

Form **6251** (1987)

U.S. GOVERNMENT PRINTING OFFICE: 1967-167-150 33-06167-50

Form 8615

Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than \$1,000

Department of the Treasury
Internal Revenue ServiceOMB No. 1545-0098
1987
Attachment
Sequence No. 33

▶ See Instructions below and on back.

▶ Attach ONLY to the Child's Form 1040, Form 1040A, or Form 1040NR

General Instructions

Purpose of Form. Before 1987, the tax law

allowed income-producing property to be given to children so that the investment income from the property could be taxed at the child's rate. This rule was changed by the Tax Reform Act of 1986 so that, for children under age 14, investment income (such as taxable interest and dividends) over \$1,000 will be taxed at the parent's rate if higher than the child's rate.

Do not use this form if the child's investment income is \$1,000 or less. For more information, see the instructions on the child's income tax return. For example, if the child had \$900 of taxable

interest income and \$200 of income from wages, Form 8615 is not required to be completed and the child's tax should be figured on Form 1040A using the Tax Table.

If the child's investment income is more than \$1,000, use this form to see if any of the child's investment income is taxed at the parent's rate. If the child's investment income is more than \$1,000, the child's tax is figured on Form 8615.

For example, if the child had \$1,100 of taxable interest income and \$200 of income from wages, Form 8615 should be completed and attached to the child's Form 1040A.

Investment Income. As used on this form, investment income is the child's taxable income other than earned income as defined on page 2. It includes income such

as taxable interest, dividends, capital gains, rents, royalties, etc. It also includes pension and annuity income and income (other than earned income) received as the beneficiary of a trust.

Who Must File. Generally, Form 8615 must be filed for any child who was under age 14 on December 31, 1987, and who had more than \$1,000 of investment income. However, if neither parent was alive on December 31, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

Additional Information. For more information, see the instructions for Form 929, Tax Rules for Children and Dependents (Instructions continue on back.)

Child's name as shown on return.

Parent's name (first, initial, and last). (Caution: See instructions on back before completing.)

Parent's social security number.

Parent's filing status (check one). ☐ Single ☐ Married filing jointly ☐ Head of household, or ☐ Qualifying widow(er)

Step 1 Figure child's net investment income

1 Enter the child's investment income, such as taxable interest and dividend income (see Instructions) (If this amount is \$1,000 or less, stop here; do not file this form) 1

2 If the child itemizes deductions on Schedule A (Form 1040) or Form 1040NR, enter \$1,000. If the child uses the standard deduction, see the instructions 2

3 Subtract the amount on line 2 from the amount on line 1. Enter the result. (If zero or less, stop here; do not complete the rest of this form but ATTACH it to the child's return.) 3

4 Enter the child's taxable income from Form 1040, line 36; Form 1040A, line 17; or Form 1040NR, line 35 4

5 Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts 5

Step 2 Figure tentative tax based on the tax rate of the parent listed above

6 Enter the parent's taxable income (from Form 1040, line 36; Form 1040A, line 17; Form 1040EZ, line 7; or Form 1040NR, line 35) 6

7 Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount on line 5 above.) 7

8 Add the amounts on lines 6, 7, and 8. Enter the total 8

9 Tax on the amount on line 8 based on the parent's filing status (see Instructions). Check if from 9
☐ Tax Table ☐ Tax Rate Schedules, or ☐ Schedule D

10 Enter the parent's tax (from Form 1040, line 37; Form 1040A, line 18; Form 1040EZ, line 9; or Form 1040NR, line 36). Check if from ☐ Tax Table ☐ Tax Rate Schedules, or ☐ Schedule D 10

11 Subtract the amount on line 10 from the amount on line 9. Enter the result. (If no amount is entered on line 7, enter the amount on line 11 on line 13; skip lines 12a and 12b.) 11

12a Add the amounts on lines 5 and 7. Enter the total 12a

12b Divide the amount on line 5 by the amount on line 12a. Enter the result as a decimal (to two places) 12b

13 Multiply the amount on line 11 by the decimal amount on line 12b. Enter the result 13

Step 3 Figure child's tax

Note. If the amounts on lines 4 and 5 are the same, skip to line 16.

14 Subtract the amount on line 5 from the amount on line 4. Enter the result 14

15 Tax on the amount on line 14 based on the child's filing status (see Instructions). Check if from 15
☐ Tax Table ☐ Tax Rate Schedule X, or ☐ Schedule D

16 Add the amounts on lines 13 and 15. Enter the total 16

17 Tax on the amount on line 4 based on the child's filing status. Check if from ☐ Tax Table 17
☐ Tax Rate Schedule X, or ☐ Schedule D

18 Compare the amounts on lines 16 and 17. Enter the larger of the two amounts here and on Form 1040, line 37; Form 1040A, line 18; or Form 1040NR, line 36. Be sure to check the box for "Form 8615" 18

For Paperwork Reduction Act Notice, see back of form.

Form 8615 (1987)

References in the index are either to Table numbers or page numbers. Table numbers are in the format x.x (Table 1.1 would be "1.1") or letters (Table A would be "A"). Remaining references are to page numbers.

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(See also basic and standard deductions)

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